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Canada's Magazine of Business and Contemporary Affairs

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October 10, 1959

Saturday Night

VOL. 74 NO. 21 ESTABLISHED 1887 WHOLE NO. 3350

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Subscription Prices: Canada $4.00 one year; $6.00 two years; $8.00 three years; $10.00 four years. Commonwealth countries and U.S.A. $5.00 per year; all others $6.00. Newsstand and single issues 20c. Authorized as second class mail, Post Office Department, Ottawa. Published every second Saturday by Consolidated Press Division, Suite 707, Drummond Building, 1117 St. Catherine St. West, Montreal, Canada. Editorial and Advertising Offices, 73 Richmond St. W., Toronto, Canada.

President and Publisher, Jack Kent Cooke; Vice-Presidents, Hal E. Cooke, Neil M. Watt, E. R. Milling; Circulation Manager, Arthur Phillips.

Director of Advertising: Donald R. Shepherd. Representatives: New York, Donald Cooke, Inc., 666 Fifth Avenue; Los Angeles, Lee F. O'Connell Co., 111 North La Cienega Blvd., Beverly Hills, Cal., San Francisco, Don R. Pickens Company, 166 Geary Street; London Eng., Dennis W. Mayes Ltd., 69 Fleet St., E. C. 4.

PICTURE CREDITS: Page 9, The Times, London; Pages 10, 11, Wide World, Capital Press, UPI; Pages 12, 13, 14, Creative Public Relations, Jones & Morris, Eric Trussler; Pages 15, 16, Australian News and Information Bureau, New Zealand High Commissioner; Pages 17, 18, Dominion Wide, Capital Press; Pages 19, 20, Wide World; Pages 21, 22, 23, The Bowater Organization, London County Council, A. C. E. Wake, Alfred Crackness, Henry Grant; Page 24, Jack Cash; Pages 26, 27, Bud Thrasher; Page 33, British Book Service, CBC; Pages 31, 38, Wide World; Page 41, Capital Press.

INSIDE STORY

In any look at the Commonwealth, a good place to start is at home. If Canada decided to reassume her historic and influential role within this organization, what steps should she take? Professor **Kenneth McNaught** of the University of Toronto offers some concrete suggestions on Page 10.

From a writer who has lived in both countries, comes a sharp appraisal of New Zealand and Australia and their peoples. To **Dean Walker,** whose article appears on Page 15, "New Zealand's pace of life is the English crawl and not the American bustle." And "Australia is flat, sunny, shallow. So are Australians."

"Although the Indian Union of States and the Islamic Republic of Pakistan will possibly find this grouping odious, there are about the two countries many points of similarity for the sideline observer". So writes **Brian Greggains** on Page 17 and continues: "Each country is suffering from growing pains; the growing pains of youth and of population."

One startling task for a more tightly-knit Commonwealth might be to close the doors of the club to a member—South Africa. Professor **Arthur Keppel-Jones** of Queen's University, on Page 19, makes a logical case for such action, maintaining that, because of its racial policies, South Africa could "discredit and in the long run disrupt" the association.

In the meantime, what has happened to London, the physical shell which holds the political capital? Certainly, since the war, it has been burgeoning with steel, stone and brickwork and its face changes almost daily. Whether or not this is a good thing—the "anti-uglies" are vociferous — is debatable. **Charles Taylor** outlines some of the points in the debate on Page 21.

Down to business. Our dealings with the Commonwealth are treated under three headings. In the first of these, on Page 12, **R. M. Baiden,** SATURDAY NIGHT's Business Editor, analyses the nature and extent of United Kingdom direct capital investment in Canada. **Robert Jamieson** describes the mechanisms by which Britain operates in her role as banker for the Sterling Commonwealth and points out the size of these operations on Page 24. **David Grenier** shows how trade patterns between Canada and the Commonwealth have changed since the war and why current world conditions require a new approach to old relationships, on Page 26.

Letters

Seeds of Destruction

I was very pleased by the September 12 issue, in which there are excellent papers on our various education problems. The article by Mr. Swinton and the other one by Mr. Cohen are very interesting.

I feel strongly that we Canadians, whether of English or French descent, could easily solve our problems if we had real leaders who would do less talking and more acting. Several observers are getting more and more skeptical about the results of so many "Conferences" and "Meetings" on Education where a lot of "lip service" is paid to Education but very little is done in the way of improving our present standards that are appallingly low.

Since schools, colleges and universities are a part of a social "system", they usually reflect the "values" that are honored by the various societies. For instance, a theocratic society will emphasize religion and morality; an industrial society will stress science and technology, etc, etc. The "gloomsters" (such as Spengler, Sorokin and even Toynbee to a large extent) are quite justified to be worried about the future. Technology has replaced theology, and no society or civilization can live and survive long without spiritual and intellectual ingredients. "An entirely technological culture would also be entirely barbarous" (Christopher Dawson in *"Dynamics of World History,"* p. 454).

The problems of our schools are not only financial: unless we are able to go back to the spiritual foundations of society, our schools (and the culture of which they are a part) will keep on declining and disintegrating, confirming once more the truth of the old aphorism: "Materialism Carries Within Itself the Seeds of its Own Destruction" . . .

HULL, QUE. JEAN-PAUL TRUDEL

The Good Orpheus

On 6 September the San Francisco Opera Company produced under difficult conditions at Portland, Oregon, a new *Orpheus* by Gluck. The soloists, chorus and orchestra were of the highest quality, but on almost every count the performance was inferior to the *Orpheus* at Vancouver, which I heard on July 22 and again on July 27. Covent Garden's production of this opera in 1953 was unsatisfactory (Ferrier's great singing of course excepted).

The *Orpheus* at Vancouver was a masterpiece and fully equal to the Glyndbourne production of 1947. Yet Mr. George disparages it and your readers ought to know that his judgment is mistaken. They may never hear this glorious work to better advantage.

I am a new-comer to Vancouver and have no connection with the Festival and no axe to grind.

VANCOUVER ALFRED BLUNDELL.

Report Card

I heartily concur with Charles Graham in his strictures on report cards that waste the teachers' time. It might be a further interest to him that the Jewish Schools in Montreal, with one exception, have adopted the same type of reports as that of the Protestant School Board. The exception, is the school of which I happen to be principal. We give straight marks for each subject, plus a mark for conduct, and attitude towards work.

I have also reduced the number of reports from four times a year to three times a year and I find this a handy arrangement.

I invite the Protestant School Board to examine our system of report cards with the hope that they will simplify their own procedure.

MONTREAL RABBI M. LEWITTES,
Principal Young Israel School

Veterans and Security

I do not know of a better medium than your popular publication to bring a few facts before your readers and I would appreciate it very much if you could find space for the following.

Is it generally known that the group of Veterans who are called the "Burned Out Veterans" are the only citizens who do not benefit from Old Age Security?

The War Veterans' Allowance for a married man amounts to the magnificent sum of $145 per month, but, when the veteran reaches the age of 70 years and applies for Old Age Security (the majority of World War I veterans have reached that age) he will receive the old age pension but the $55 per month is deducted from the WVA cheque leaving him $90 per month.

Further, when the Veteran's wife reaches the age of 70 years and qualifies for Old Age Security, her cheque of $55 monthly is similarly deducted from her husband's War Veterans' Allowance leaving him with a total income of $35 monthly ONLY! — from the DVA.

Thus the citizen who gave the best years of his life in defence of his country, and who is unable to work, has been put on the "Indian List" so far as Old Age Security is concerned.

Just try and spread $145 per month over rent, fuel, light, food, clothing, sickness — apart from hospitalization for the veteran himself — and you will see where the heroic Veteran fits today.

Canada can afford to give away millions of dollars in aircraft, warships, industrial plants, dams, etc., to foreign countries while the needy Veteran is forgotten and ignored — his usefulness is over!

May I suggest that each veteran who reads this — World War I veterans particularly — write to his Member immediately in an effort to have this iniquitious legislation amended.

ROTHESAY, N.B. J. D. WILLIAMS
Lieut.,
P.P.C.L.I. & Cdn. Forestry Corps.

Unquotable Quote

John Gellner's review of *Comrade Venka* in your issue of Sept. 12, makes use of a device which often lends an air of learning to a book review, at the expense of the truth. He says that "Nilin's book is, in fact, an attack on one of the fundamental communist dogmas, that which derives from Karl Marx's famous dictum that 'Individuals have no value as such except as members of the revolutionary class' ".

This is not a famous dictum of Karl Marx; it is a fatuous dilation of one of Gellner's prejudices. The published writings of Marx contain no such "dictum". It is wholly alien to Marx's concept of the individual and his relationship to society and the state.

Gellner's device is to encase in handy quotation marks his own faulty idea of what Marx really wrote and so to attribute it to Marx. The trouble with this method is that when the writer is challenged to produce the source of the quotation, he is stumped. I think Mr. Gellner is stumped. He can prove otherwise only by producing the source of the quotation from Karl Marx's published writings.

TORONTO LESLIE MORRIS

Comment of the Day

The Washington Visit

MR. KHRUSHCHOV has come and gone (and the last syllable of his name has, by decree of the Russian Embassy, been changed in the process). He saw some fanaticism in the United States, some hostility, but experienced a greater amount of hospitality and warmth. He boasted about Russian achievements, but there is nothing wrong with that. Any peasant who becomes a Prime Minister, and has seen his own progress matched by the development of his country, is likely to be proud of it and legitimately entitled to boast of it.

Whatever his effect on the American nation, he obviously had some plain talk with Mr. Eisenhower. As far as one can gather anything from the dry bones of a modern communique, one can see that certain tensions, particularly over Berlin, have been lessened and that disarmament *may* be (*really* may be) the earnest desire of Mr. Khrushchov's government.

On this subject, Mr. Khrushchov's speech to the United Nations was brilliant in its scope and enormous in its propaganda impact. It is now up to the diplomats of the west to match this gesture with one just as startling and all-embracing. If they can, there may be genuine progress toward the control of nuclear weapons and ultimate disarmament. Only such disarmament can ensure a future for the world. (The article by Peter Whitehouse in the last issue of SATURDAY NIGHT proves the folly of any other thinking).

Apart from lessening tension between the United States and Russia, Mr. Khrushchov's visit gave:

(1) Mr. Macmillan something to crow about as he faced his electorate in England ("Do you think Mr. Khrushchov and President Eisenhower would have been promoting and discussing together at Camp David . . . if I had not decided to break the ice and go to Moscow?").

(2) President de Gaulle the opportunity to say he would attend a summit conference just whenever anyone asked him to (and thus enlarged his claim to such summit consideration).

(3) Chancellor Adenauer the chance to say that West German problems had not been forgotten by Eisenhower nor had any guarantees been disregarded. (This shows that Adenauer is backing the right horse in international affairs.)

Mr. Khrushchov's visit, in other words, seems to have meant a lot of things to a lot of people. Whether, as time goes on and the Disarmament Committee of the United Nations and the various ministers get down to brass tacks on specific problems, there will be the improvement which people now hope for, is not certain. But any hope is better than the state of diplomatic *rigor mortis* which prevailed before Mr. Khrushchov came to Washington.

In sum, we may not have gone appreciably further towards co-existence, but we have at least gone one step back from co-destruction. That, in a curious way, is progress.

Commonwealth Martyrs

THE BRITISH COMMONWEALTH, about which this issue of SATURDAY NIGHT has a good deal to say, is often regarded as an entity which has evolved gradually and peacefully over the past one hundred years. But this is not true. Ghana, India, Pakistan, Ceylon, Burma and Malaya became self-governing countries through a revolutionary process. It took the blood of hundreds of thousands of people in India to make independence stick. In South Africa, in an earlier age, autonomy was gained by a war which, though on a lesser scale, was savage. That revolutionary tactics are still in use was shown last week by the assassination of Mr. Bandaranaike, the Prime Minister of Ceylon.

According to reports, Mr. Bandaranaike died because of his Western approach to problems which many of his people considered to be entirely Eastern.

Mr. Bandaranaike, like Mr. Nehru, saw and revered the good things of Western civilization. He also saw and detested the bad things of Eastern civilization. It was his aim, as it is Mr. Nehru's aim, to fuse the best of both worlds for their respective countries.

But such visionaries are vulnerable to others less balanced. That is why Mr. Jinnah fell to an assassin's bullet, as did Mahatma Gandhi. Mr. Bandaranaike is merely the latest in the roll of great leaders who have died for a cause. And that cause was, we in the West should remember, the Commonwealth.

Food for Quebec's Gods

NO TALK OF NATIONAL unity can, thank Heaven, disguise the breach that exists between French Canadian and English Canadian cooking. And it was, in a sense, to further this breach that the Laurentian Resorts Association's second *Salon Dégustation* was held the other week-end at the Chantecler Hotel in Ste. Adele.

For this affair, something like twenty chefs from as many separate hostelries convened in order to out-vie each other in the cooking and displaying of superb food. Now these chefs know that good eating is an international pastime, and they draw freely on recipes from all over the world. They did not make the mistake of concentrating on flap-jacks, maple syrup, pea soup and other such undeniably French Canadian, but dull, dishes.

This salon was redolent with the smell of fondue bubbling merrily under the eye of a Swiss chef who had been in this country for three years only. There were cheeses from France, Switzerland, England and the United States as well as from Upper Canada and Quebec's own Oka. There were lobsters, there were shrimps curried in a way any Indian might have been proud of, and there were pastries which no German or Austrian pastry cook would have thought below his standards.

There were huge wheels of iced cakes, there were head cheeses in the shape of pheasants, there were jellied tongues looking exactly like the caravels of Columbus. There was tourtiere, that delicious French-Canadian pork pie; but nowhere did we see the seven deadly pies of Canada (pumpkin, apple, raisin, lemon meringue, cherry, blueberry, Boston cream).

To ease the way for this sparkling array of food, that was as delightful to look at as it was delicious to eat, there was a consignment of wines—red, white, rosé and sparkling—which made this an evening for a gourmet to remember.

Quebec, we suggest, is about one hundred years ahead of the rest of this country in its cooking. We can't wait for the other nine provinces to make up the lag as quickly as possible.

Diefenbaker's Empty Gesture

MR. DIEFENBAKER'S RECENT off-the-cuff remark about opening up the northland for Russian inspection seems very comical. Speaking at Mont Tremblant just after Khrushchov's speech to the United Nations, Mr. Diefenbaker said "I make this offer to Premier Khrushchov. He can inspect any area in northern Canada which he designates as being used for aggressive purposes by the United States provided he lets us inspect all areas in the USSR within the same latitudes".

This is a large invitation which Mr. Diefenbaker gives and one we suspect which he is completely incapable of seeing fulfilled.

Across our northland marches the DEW line. That DEW line is manned by Canadian personnel; but by Canadians who are

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employed by an American firm under contract to the American government. Much of the machinery in these DEW line outposts is highly secret. Outside these posts the Stars and Stripes flies constantly.

It is in the interest of mutual security that such apparent loss of sovereignty by Canada must be undertaken. After all, if we can't afford to protect ourselves, somebody else must foot the bill. But can Mr. Diefenbaker in the circumstances arrange for the Russians to go in at any time they say, under the conditions he imposes? Our guess is that he can do nothing of the sort.

There have been ugly moments in the past when even our own Cabinet Ministers have had difficulty in getting clearance to go to the DEW line. Just because we own the soil on which the Americans are operating, it doesn't mean that we can stick our fingers into the pie whenever we feel like it. It was foolish of Mr. Diefenbaker even to suggest that we can. Because he convinced nobody, not even here, let alone in Russia.

Getting the Pitch

THE LAST SPITFIRE to be in active commission in the Royal Air Force crash-landed after the fly-past in England to mark Battle of Britain week.

The Air Ministry had been a little unhappy about its flying in the first place. But the people concerned doubtless said what Squadron Commanders often said to pilots during the war: "It's not safe, but it's operational".

The crash landing was notable for two things:

(a) The Spitfire died with its boots on as a good soldier should.

(b) The crash occurred on a cricket field.

Drake waited to finish his game of bowls before he dealt with the Armada. The Spitfire has done a neat reverse. It finished off Goering's armada then homed in to a cricket game.

Tariffs are Negative

A PAST PRESIDENT of the Canadian Manufacturers' Association said the other day in Vancouver that we should in our buying "express definite preference for the Canadian-made product" and that we should "support a national tariff policy".

The first part of his advice is good. When a product made in Canada is better made and designed than its foreign competition, we should buy it. But only then. We should not surely be asked to support a policy which coddles the incompetent manufacturer and raises the price of goods which we cannot economically make here.

Good business is a positive thing. Tariffs are negative. And the protection of incompetence is just what the C.M.A. itself condemns in trade unionism. They can't have it both ways.

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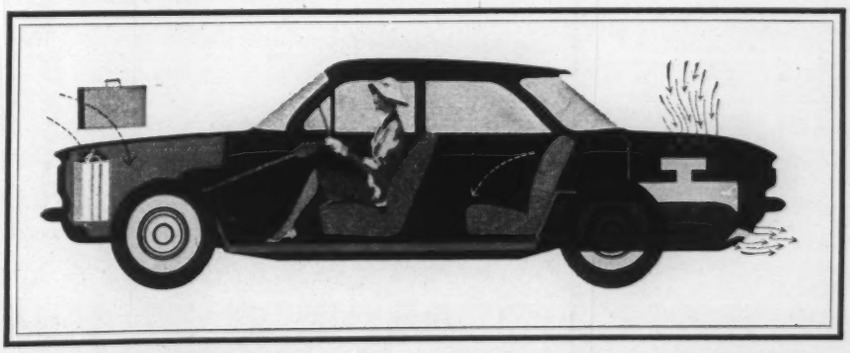
Wonderfully practical as all these advances sound, you'll find the most practical thing about this new Corvair is its price. Visit your Chevrolet dealer soon —and see what a wealth of engineering a modest amount of your money buys in Corvair, Canada's first truly compact car.



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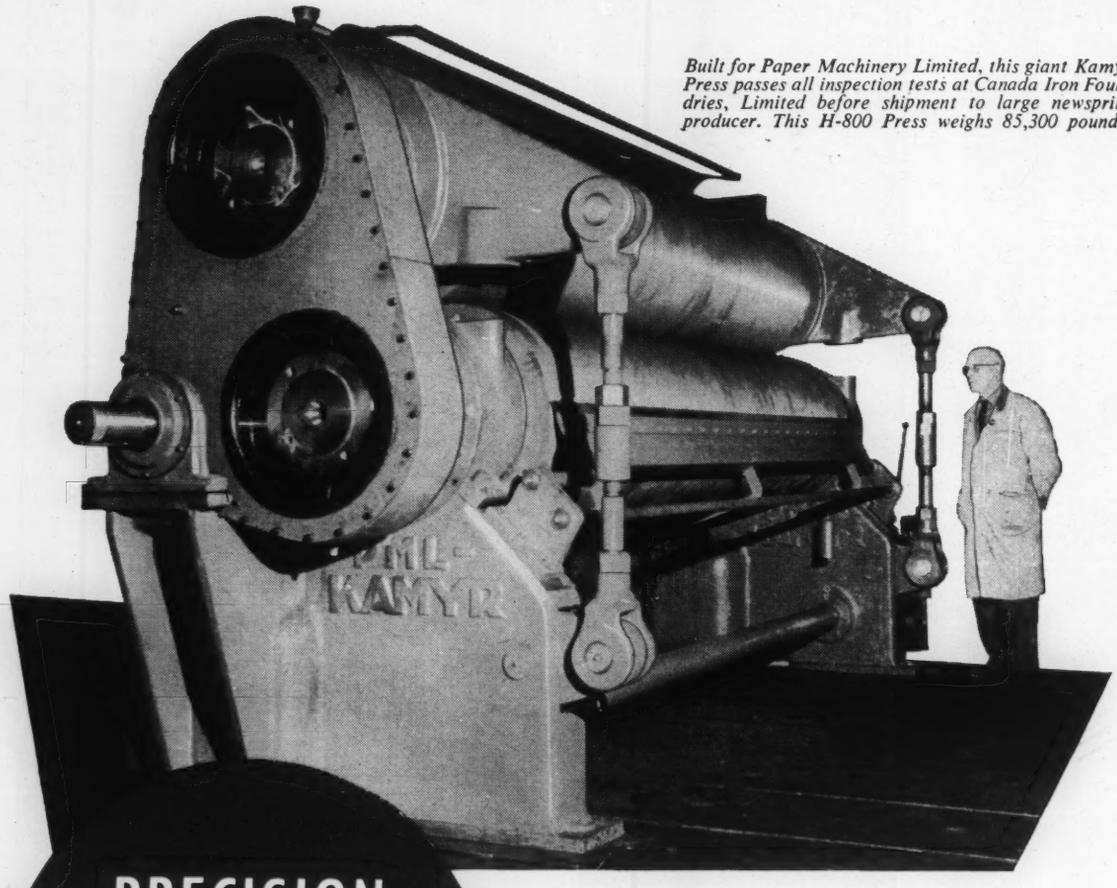

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The Queen with her Prime Ministers at Windsor Castle in June 1957.

The Commonwealth: Fact or Fiction?

THE BRITISH EMPIRE was a simple idea, easily grasped. At the centre was London; on the periphery were the colonies. Britain was top dog, the other countries were merely her property. But their development was assured by capital from Britain (at a good rate of interest) and by a two-way trade, the routes for which were guaranteed by the ubiquitous British Navy. In its simplest terms, the Empire could be shown on a map of the world liberally sprinkled with red, and it could be summed up as an entity "on which the sun never sets".

The symbols of this Empire were the Union Jack and the Crown Imperial. Its great figures were Wolfe, Clive and Disraeli. Its poet was Kipling, its musician was Elgar and its great mother figure was Queen Victoria.

The Commonwealth is not such a simple idea. How can one dramatize and symbolize a political entity consisting, in Lord Balfour's phrase, of "autonomous communities . . . equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown"?

Now even the Crown has lost some of its binding power. At the proclamation of Queen Elizabeth, she was proclaimed Queen of each separate country —not Queen of all. Indeed, India and Pakistan since then have become republics, looking on the Queen merely as "a symbol of their free association" with the rest of the Commonwealth.

With the granting of independence to India, Pakistan, Ceylon, Ghana and the Federation of Malaya, the great administrative system too has disintegrated. That great breeding ground of an elite Civil Service, whose inter-postings made for such a tight colonial unity, is gone. It is now as out of date as the economic ties which once sent raw materials to England from the colonies in return for manufactured goods sent by England to imperial mass markets.

Constitutionally, politically, administratively and economically, the ties of Empire have been broken and one asks what links now can bind this newly liberated Empire into a sturdy and free Commonwealth?

The first (for there are indeed still ties) is that of similar institutions. Parliamentary government as it has evolved over the centuries at Westminster is now the governmental system of millions of people in Asia, Africa and North America. The mere fact that the Leader of the Opposition in South Africa has been cleverly gerrymandered out of any effective political power and that the Leader of the Opposition of Ghana has been in prison for months does not disprove this —abuse of a system does not invalidate it. Nor does its suspension in Pakistan mean that it will never return there.

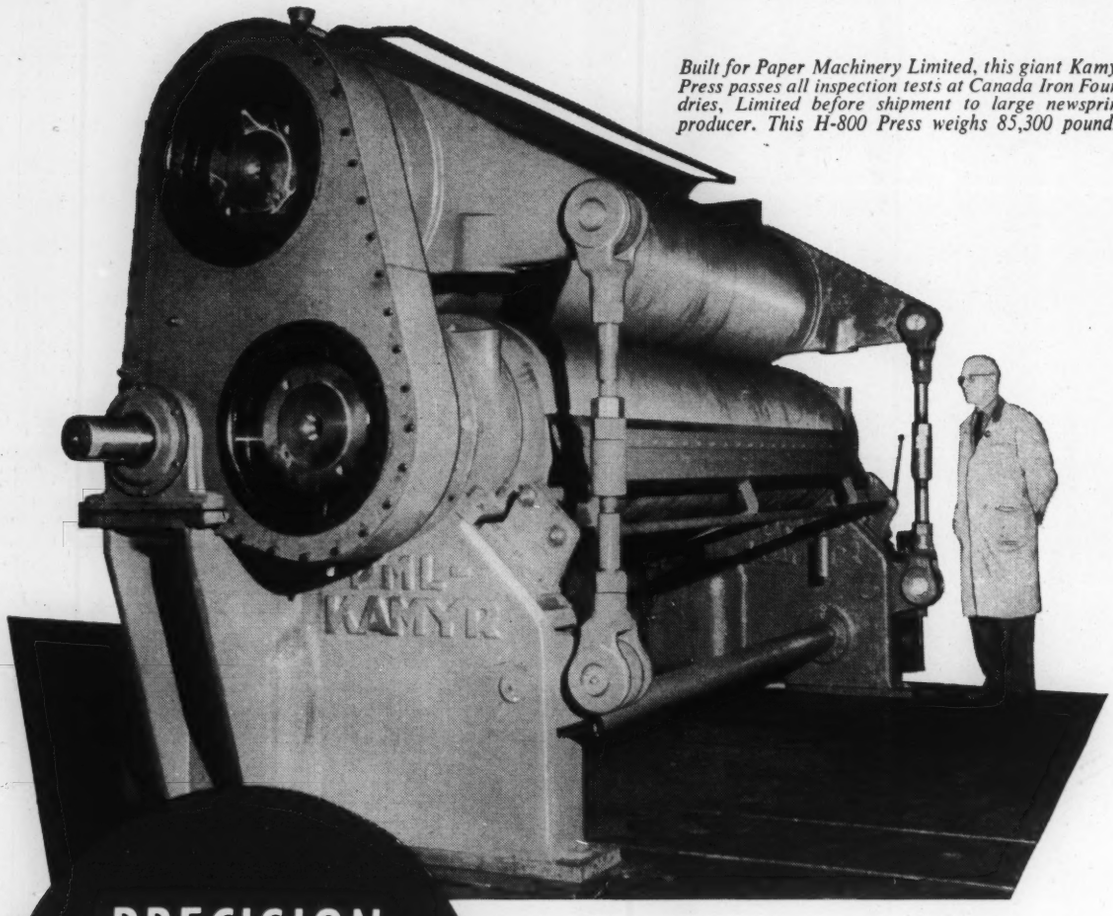
Second, and more important, there are the powerful remnants of an ethical system which guaranteed equality before the law, and similarly guaranteed scrupulous honesty and impartiality in the operation of the courts. This system springs from a deep conviction in the dignity of the individual and a rooted antipathy to the political organization man.

Whether an ethical system and government institutions alone can bind the Commonwealth into an effective group of world powers has yet to be seen.

In the succeeding pages of this issue of SATURDAY NIGHT, several contributors explore, from as many angles, how far along the road we have come and whither that road may lead. Any answers are tentative; even the questions have sometimes to be vaguely framed. But Heaven knows, with Communist expansionism on one hand and grim American determination on the other, there is a desperate need for such an effective middle group.

Canada as a middle power can do much to help create this middle group. Formerly a colony, but now for many years an autonomous dominion, we can speak to either Britain or India (or Ceylon or Ghana) in terms that they can all immediately understand. Outside the Sterling Commonwealth, we can help that monetary group (and in the same process ourselves) to stabilize a still fluctuating pound. We can, as we have always done, interpret Britain to the United States.

No one can as yet say whether a strong Commonwealth will emerge, but we can say this: It will not emerge on its own, it will have to be fashioned. We in Canada must lead that fashioning.



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The Queen with her Prime Ministers at Windsor Castle in June 1957.

The Commonwealth: Fact or Fiction?

THE BRITISH EMPIRE was a simple idea, easily grasped. At the centre was London; on the periphery were the colonies. Britain was top dog, the other countries were merely her property. But their development was assured by capital from Britain (at a good rate of interest) and by a two-way trade, the routes for which were guaranteed by the ubiquitous British Navy. In its simplest terms, the Empire could be shown on a map of the world liberally sprinkled with red, and it could be summed up as an entity "on which the sun never sets".

The symbols of this Empire were the Union Jack and the Crown Imperial. Its great figures were Wolfe, Clive and Disraeli. Its poet was Kipling, its musician was Elgar and its great mother figure was Queen Victoria.

The Commonwealth is not such a simple idea. How can one dramatize and symbolize a political entity consisting, in Lord Balfour's phrase, of "autonomous communities . . . equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown"?

Now even the Crown has lost some of its binding power. At the proclamation of Queen Elizabeth, she was proclaimed Queen of each separate country —not Queen of all. Indeed, India and Pakistan since then have become republics, looking on the Queen merely as "a symbol of their free association" with the rest of the Commonwealth.

With the granting of independence to India, Pakistan, Ceylon, Ghana and the Federation of Malaya, the great administrative system too has disintegrated. That great breeding ground of an elite Civil Service, whose inter-postings made for such a tight colonial unity, is gone. It is now as out of date as the economic ties which once sent raw materials to England from the colonies in return for manufactured goods sent by England to imperial mass markets.

Constitutionally, politically, administratively and economically, the ties of Empire have been broken and one asks what links now can bind this newly liberated Empire into a sturdy and free Commonwealth?

The first (for there are indeed still ties) is that of similar institutions. Parliamentary government as it has evolved over the centuries at Westminster is now the governmental system of millions of people in Asia, Africa and North America. The mere fact that the Leader of the Opposition in South Africa has been cleverly gerrymandered out of any effective political power and that the Leader of the Opposition of Ghana has been in prison for months does not disprove this —abuse of a system does not invalidate it. Nor does its suspension in Pakistan mean that it will never return there.

Second, and more important, there are the powerful remnants of an ethical system which guaranteed equality before the law, and similarly guaranteed scrupulous honesty and impartiality in the operation of the courts. This system springs from a deep conviction in the dignity of the individual and a rooted antipathy to the political organization man.

Whether an ethical system and government institutions alone can bind the Commonwealth into an effective group of world powers has yet to be seen.

In the succeeding pages of this issue of SATURDAY NIGHT, several contributors explore, from as many angles, how far along the road we have come and whither that road may lead. Any answers are tentative; even the questions have sometimes to be vaguely framed. But Heaven knows, with Communist expansionism on one hand and grim American determination on the other, there is a desperate need for such an effective middle group.

Canada as a middle power can do much to help create this middle group. Formerly a colony, but now for many years an autonomous dominion, we can speak to either Britain or India (or Ceylon or Ghana) in terms that they can all immediately understand. Outside the Sterling Commonwealth, we can help that monetary group (and in the same process ourselves) to stabilize a still fluctuating pound. We can, as we have always done, interpret Britain to the United States.

No one can as yet say whether a strong Commonwealth will emerge, but we can say this: It will not emerge on its own, it will have to be fashioned. We in Canada must lead that fashioning.

Lester Pearson: No consultation.

Canada: An Opportunity for Leadership

by Kenneth McNaught

OVER A HUNDRED years ago, when Lord Elgin was contemplating the meaning of responsible government, he asked this long, creative question:

"Is the Queen of England to be the sovereign of an empire, growing, expanding, strengthening itself from age to age, striking its roots deep into fresh earth and drawing new supplies of vitality from virgin soils? Or is she to be for all essential purposes of might and power monarch of Great Britain and Ireland merely, her place and that of her land in the world's history determined by the productiveness of 12,000 miles of a coal formation which is being rapidly exhausted, and the duration of the social and political organization over which she presides dependent on the annual expatriation . . . of the surplus swarm of her born subjects?"

The historic answer was a ringing decision for expansion based upon growing independence. In demanding that answer Canada led the way in transforming the empire. With the establishment of the office of High Commissioner, pressure for the right to negotiate treaties independently and the refusal to be tied down to an imperial federation, Canada pressed steadily her policy of loosening the bonds of empire.

The Statute of Westminster and the separate war declaration symbolized the completion of this phase of imperial growth: the monarchy, by 1945, seemed to be divided amongst the virgin soils of the white Commonwealth. But this Canadian-sponsored flexibility was also what made it possible for the post-war Attlee government to inaugurate yet another stage of evolution: the multi-racial Commonwealth. With the admission to independence of India, Pakistan and Ceylon, and with the process continuing at varying paces in Ghana, the West Indian Federation, Nigeria, Singapore and Central Africa the roots are going still more deeply into virgin soils.

Many Canadians observe this evolution with total passivity. If aware of it at all they pass it off either as proof of British political skill or as the inevitable breaking up of the old empire. One Canadian put it this way: "In the year 1940 we passed from the British century of our history to the American century. We became dependent upon the United States for our security. We have, therefore, no choice but to follow American leadership." This view, of course, is based on the assumption that "security" is something which can still be bought by military alliances. Posing as cool realism it is actually outdated nineteenth century rationalism; nothing could be more disastrous as a basis for policy in the twentieth century. It faces none of the major problems of the international world and it ignores utterly the changed nature of "power".

It is an astonishing coincidence that the multi-racial enlargement of the Commonwealth came at the same time as the completion of the revolution in military power. The perfection of mass-destruction weapons (whether nuclear or the hidden "conventional" weapons of chemical and bacteriological warfare) eliminates major war as a possible extension of diplomatic policy. This means that political experience, maturity of judgment, moral strength and economic influence are now the most powerful diplomatic "weapons". To say that this is unrealistic is to fly in the face of all post-war history.

During the cold war period there have been innumerable occasions on which, if major war had been a *possible* policy, such a war would almost certainly have broken out. A few of those occasions: the Berlin blockade, Korea, Indo-China, Suez, Quemoy-Matsu, Hungary. The most that has happened or, barring a victorless catastrophe, can happen is the frustration of internationalist hopes—frustration in the face of a bi-polarized world of military alliances. But there remains the threat of a build-up in tension, not only between communism and democracy but between Afro-Asia and the West—tension which could lead to the "accidental" holocaust.

It is in this context that Canadians must view their relationship to the Commonwealth. They have pioneered in the evolution of the most impressive political experiment in world history. Canada remains the senior partner, outside Britain, in the one international organization that has been successful in bridging the gap between Afro-Asia and the West. Canada is more concerned than ever before in her history with maintaining the reality of her independence from the United States and in bringing to bear an influence on American policy which could end the recurring crises in Asia. But as a committed follower of American leadership in NATO, UN, the "nuclear club" and even investment policy, Canada is in no position of independence. As a Commonwealth member who seems only to glory in the achievement of loosening the bonds, Canada has equally slight influence on British or Indian or any other area of Commonwealth policy. A single, if outstanding example will have to serve.

In October, 1956, after long consultation with the French government (and with the prior knowledge that Canada would disapprove) the British government advised the Commonwealth High Commissioners in London that Britain and France had issued an ultimatum to Egypt and Israel. Lester Pearson, reviewing the situation in November, said: "There was no consultation with other members of the Commonwealth . . . ." Later he emphasized that the Canadian government had "no advance information that this very important action, for better or for worse, was about to be taken."

The importance of the Suez action was still further stressed by Mr. Pearson's declaration that it had nearly resulted in the dissolution of the Commonwealth. The sequel of this affair was the most brilliant success of recent Canadian diplomacy: the creation of the UN Emergency Force and the acceptance of this version of UN intervention by Britain and France. No one would wish to detract from that substantial *detente*. But it is worth recalling the background.

The reason why Canada was not consulted is to be found not only in the fact that the Eden government was dominated by trigger-happy advocates of gun-boat

diplomacy. It was, primarily, the result of forty years of Canadian insistence that prior consultation on foreign policy was unwelcome—because consultation implies responsibility. Why should the British government have consulted Canada when Canada had made it abundantly clear under the King-St. Laurent dispensation that she would remain in the Commonwealth only on the condition that any approach to an agreed foreign policy was taboo?

In this light it is tempting to reassess the UNEF policy: a brilliant and original stroke from the UN-US point of view; a regrettable eleventh hour stop-gap from the Commonwealth point of view. Regrettable because it should never have been possible for a British government to lead the Commonwealth to the brink of disaster. Regrettable because Canada had refused the position of leadership within the Commonwealth which alone could have prevented the maturation of the Suez policy.

The heart of this complex problem can be stated in a set of propositions. Canada has a heritage of leadership in the Commonwealth. We fought hard for the right of national equality in the Commonwealth and won our point—making possible the survival of the Commonwealth and its expansion into a multi-racial partnership. We have underrated our achievement and continue to fear conditions which allegedly existed in the past but which cannot exist today: i.e. control from London.

What is the evidence that this is a continuing state of affairs? The Diefenbaker government, while more ready to multiply Commonwealth meetings on specific problems (such as education) has not shown any fundamental difference in actual policy from its predecessors. The Thorneycroft free trade area proposal horrified a Conservative Ottawa and now Britain is seriously considering a European Free Trade Area as an alternative to the Common Market plan. Under Messrs. Diefenbaker, Churchill, Fleming and Green the trend to US domination of the continent in defence, investment and trade seems to be even less under check than was previously the case.

To Mr. Nehru's recent plea to re-establish the truce supervisory commission in Laos, Ottawa turned a deaf ear declaring it to be no longer necessary. Within a few weeks the US-sponsored royal Laotian government, foundering in the corruption of lavish military subsidies, announced a "border crossing" from the north. On the heels of this muffled crisis came threats to India's northern frontiers from the most populous nation in the world. The threats were from the Chinese government whose chief international concern is to obtain a seat in UN and which is quite prepared to go on rocking the boat until China is admitted to the seat of influence under the terms of the UN charter. Part of the Commonwealth recognizes China; Canada refuses to do so, as her spokesmen have publicly intimated, out of deference to the United States. We do not today appear to be any more interested in the Commonwealth than we were under the Liberals.

To each of the arguments in favour of serious Canadian participation in Commonwealth policy, to each of the criticisms of Canadian failure to take a stand for what is obviously wise policy, our "realists" retort: we cannot because our prosperity and defence now depend exclusively upon the United States. They often add that no one could convince a Canadian government to invite closer collaboration in the making of a Commonwealth foreign policy because our influence would not equal the responsibility we would thereby accept. These are the beliefs which govern our present attitude to the Commonwealth. How valid are they?

The PM: Australia with Menzies; Pakistan, Ayub; England, Macmillan.

In defence, the tornado speed of the revolution in military power cuts the "realist" position to shreds. Canada is, and will remain, powerless in the military sense. It follows that to spend billions of dollars in an arms race which we cannot win and which gives us no added influence anywhere is not, by definition, realistic.

In policy influence, there can be no doubt that our voice in Commonwealth councils would count for infinitely more than it ever could in the North Atlantic Council. It is often argued that a Commonwealth foreign policy is impossible because the interests of Commonwealth nations are widely divergent. But we are now committed to the unquestioning support of policies followed by the United States as the senior partner in NATO—to policies which have included the nuclear arming of an expansionist West Germany, support of France in Algeria, support of Chiang in Formosa and, indeed, support of reaction almost anywhere one cares to look. A Commonwealth council could scarcely produce a set of policies less attractive to the Canadian people.

The third "realist" criticism concerns our prosperity. Surely our experience in the field of defence production contracts lends little weight to the argument that we derive additional American prosperity from high defence spending. If we decided to disarm with the purpose of leading the Commonwealth towards a third position in world affairs the economic problem would centre on a redirection of our own production policies far more than on how to replace American contracts.

If Canada decided to reassume her historic and influential role within the Commonwealth what actual steps could she take?

Certainly the meetings of Commonwealth Prime Ministers would have to be made more regular and they would have to be provided with a permanent secretariat; they should also be held in Commonwealth capitals by rotation. The present tendency to differentiate between the new "black" Commonwealth and the charter "white" members should be blocked, and Canada might well use her influence to ensure a more liberal British policy in areas such as Nyasaland than that revealed in the recent Devlin Report.

This is not outside Canadian interest since the remaining British colonies in Africa are candidates for admission to the Commonwealth. The procedure for admission of new members, at the moment undefined and therefore at the pleasure of the British government, should be regularized. There is much virtue in the *ad hoc* nature of the present Commonwealth, but there is also some danger, and Canada could bring considerable experience to discussions on a compromise machinery of policy councils.

Most important, perhaps, is the fact that a revived Commonwealth which would accept the new facts of military power and the impossibility of major war could cut away from the alliance system in which some of its members are enmeshed, and which is a major cause of world tension. This would free vast sums for intra-Commonwealth investment and development and would also enable the Afro-Asian members to participate more intimately in the formation of a Commonwealth influence within UN—an influence leading to a speeding up a disarmament agreements and the creation of a UN police force.

The above suggestions will, by many, be called unhistorical and idealistic. In fact, they are far more consonant with Canadian experience than the present policy of drifting, sleekly prosperous, into continental union with the mass-democracy of the United States. They are far more in tune with the planned future of an Elgin or a Macdonald. But they do assume that politics is not the art of the possible but the art of making things possible.

Rio Tinto investment in Elliot Lake townsite alone stands at $17 million.

Investment: Britain's Stake in Canada

by R. M. Baiden

THE UNITED KINGDOM pound has added bloom to the Canadian boom. Although overshadowed by the immense inflow of funds from the U.S., British investment in Canada since the Second World War has played a remarkable role in this country's development.

From 1945 through 1957 U.K. businessmen poured roughly $1,250 million into direct and indirect (portfolio) investments in this country. Of this total, more than $800 million has gone to direct investment and somewhat less than $400 million to portfolio holdings.

The U.K. businessman's preference for direct investment in plants and equipment of Canadian subsidiaries rather than in stocks and bonds of Canadian corporations is a fairly recent departure. In 1930, for example, direct investment totalled only $392 million while indirect investment ran to $2,374 million. By 1939 direct investment was $366 million and indirect investment $2,110 million. In 1957, by contrast, direct investment had leaped to $1,150 million while indirect investment stood at $1,765 million.

While the nature of U.K. investment in Canada has changed sharply from the pre-war period, there has been an equally important change in the character of the direct investment itself: the purpose of the investment changed. Prior to about 1953 most direct capital investment went to merchandising and manufacturing. After 1953, however, the flow was mainly towards oil, uranium, iron, steel and coal, aircraft and aluminum.

Examples of the massive outpouring of funds into the post-1953 categories come rapidly to mind. The giant A. V. Roe complex, Rio Tinto uranium mining operations in Algoma, British Petroleums in retail gasoline distribution and Canadian British Aluminium in Baie Comeau have become important factors in the Canadian economy.

But there is much more to U.K. investment than this. Since 1945 close to 300 British firms have set up Canadian subsidiaries or branches. The list is a virtual roll-call of Canadian business and industry.

U.K. firms, through branches or subsidiaries here, now manufacture such diverse products as fire hose, gas meters, shoes, carpets, paints, compressed oxygen, cold rolled metal sections, sheets and tubes, ejector seats for jet aircraft, scientific instruments, electronic equipment, glues, polythene products, machine tools, flavoring extracts, switchgear, tools and dies, automotive accessories and many others.

These 300-odd post-war Canadian ventures by U.K. businessmen have produced a quite surprising impact on the Canadian economy. By the end of 1956 U.K. capital invested in major economic areas read as follows:

	millions
Railways	$ 7
Petroleum and natural gas	56
Chemicals and allied	135
Iron and products	133
Wood and paper	120

Investment on this scale has as a natural consequence produced a measure of control. By the end of 1956, U.K. interests controlled 1,019 Canadian companies. At the end of 1945, by contrast, the figure was 455. Perhaps the most remarkable fact, however, is the comparison

with U.S. controlled companies. In 1956 U.S. firms controlled 4,043 Canadian firms. In 1945 this figure was 1,985. From the post-war years through 1956, then, numercial U.K. control has increased at a slightly greater rate than U.S. control.

In manufacturing enterprises alone U.K. businessmen direct 306 Canadian firms. In the largest single sub-grouping, iron and products, the total is 76. Other areas of major interest are: vegetable products, 52; chemicals and allied products, 51; non-ferrous metals, 41; textiles, 24 and non-metallic minerals, 21. Figures for other groupings are: petroleum and natural gas, 12; other mining and smelting, 38; railways, 4; other utilities (excluding pipelines), 37; merchandising, 342; insurance companies, 109, other financial institutions, 25; real estate, 25; and other enterprises 32.

Interestingly, this degree of control has been accomplished on a quite slender percentage of capital invested. In 1955, United Kingdom investment in major economic groupings calculated as a percentage of total foreign investment ran as follows: petroleum, 1; mining, 6; pulp and paper, 9; textiles, 9; chemicals, 18; transportation equipment, 25; electrical apparatus, 6; agricultural machinery, 1; primary iron and steel, 2; beverages, 3; rubber, 8 and others, 9.

Currently, U.K. direct investment is flowing into this country at the rate of $100 million a year. Estimates predict a total U.K. direct capital investment of $1,250 million by the end of this year.

What about this British investment? Is it a result of the common image of the conservative thoroughgoing British businessman? The answer is that it is not. There is, in fact, no real pattern to U.K. investment here; it has been largely fortuitous, although it must be remembered that it was at one stage much easier to expand British industry into the sterling area than into Canada.

But if there has been any governing factor, it has been the supply of management manpower. A British company would decide on one area for expansion and move in. When that operation was running satisfactorily, another would be considered. "But the decision on which country to expand into can be based often on a mere trifle—such as the fact that the chairman's wife comes from Melbourne, or Montreal," said one U.K. official.

Always in the background, however, is the tradition among the well established British companies that they expect to serve all areas of the Commonwealth. But, equally, there has been considerable doubt in recent years whether Canada considered herself to be part of the Commonwealth.

One significant example of the apparent vagaries of British investment policies is provided by Vickers. This giant shipbuilding and engineering firm set up a substantial Canadian subsidiary which it sold out in the 1920s. When the company reacquired Canadian Vickers in 1956 the common assumption was that there had been some approach from Canada to Vickers and that they had picked up the Canadian firm at a bargain price. In fact, the opposite seems to be the truth. Vickers had simply decided they wanted to re-enter Canada and a team was sent here to buy a shipyard and engineering plant or to buy land for one. After studying a number of propositions they finally bought a majority share interest in their old Canadian company. They thought it would be nice to have the name, and they probably paid a premium to get it.

There is, however, one aspect of establishing in Canada that irritates U.K. businessmen. It is the Canadian demand for minority equity interest.

This is a matter which irritates Canadians, too. The position of the U.K. businessman, however, is outlined by one company executive.

"We have plenty of money in our American companies to finance the operation we plan. We don't expect to make a profit for at least five years, maybe longer, but minority shareholders would be screaming for dividends long before that. Anyhow, why don't they invest in our stock in Britain. And don't forget, with a 50 per cent tax bite, Ottawa already has got half the equity."

Despite such feelings, the flow of U.K. capital to this country is increasing. And one of the more important reasons why it is increasing is the general friendliness and lack of suspicion involved in U.K. investment. This is, of course, almost the opposite of the reception accorded U.S. capital recently.

This was pointed up recently by a series of articles in *The Times* of London written by the financial editor shortly after he visited Canada and the U.S. to see how U.K. capital was being put to work. While he was in Canada, the furore over government cancellation of the Avro Arrow broke with its ensuing charges and counter-charges of misunderstanding and bad faith. Despite this, *The Times*

Sprawling Avro Aircraft plant is only one of many A. V. Roe holdings.

Many of the U.K.'s most famous names now have Canadian subsidiaries.

TABLE 1. U.K. investment in Canada in dollar value and as percentage of total non-resident investment.

Year	U.K. Investment ($ millions) Direct	Indirect	Total	U.K. investment as percentage of total non-resident
1946	335	1,335	1,670	23
1947	372	1,275	1,647	23
1948	400	1,210	1,610	22
1949	428	1,289	1,717	22
1950	468	1,282	1,750	20
1951	497	1,281	1,778	19
1952	544	1,342	1,886	18
1953	612	1,396	2,008	18
1954	769	1,418	2,177	17
1955	884	1,465	2,349	18
1956	1,042	1,619	2,661	17
1957	1,150	1,764	2,915	17

Rapid rise in direct investment by U.K. forms post-war feature.

was able to say the following:

"Talking to business people in Toronto and Montreal and to ministers in Ottawa, it becomes abundantly clear that the fund of good-will to British firms is still immense . . . In spite of certain misunderstandings arising from the cancellation of the government's Arrow contracts with A. V. Roe Canada, in which no doubt mistakes were made by both sides, the way in which A. V. Roe have moved into such a variety of Canadian companies, the manner in which Rio Tinto have helped to develop uranium at Elliot Lake and the way in which British Petroleums are now expanding fast here, though still a relative newcomer, have all been admired as examples of Britain's faith on Canada's future."

But where has the money come from? How is it that a nation on the brink of bankruptcy and tottering from one currency crisis to another can supply $100 million annually for Canadian investment plus another $600 million annually for other Sterling Commonwealth investments? In addition, how has this same country been able to push direct investment in the U.S. to $1,900 million in 1957 from $712 million in 1941?

Certainly, this needs explanation against the background of the loans and mutual aid grants that followed the war. Britain's position after the war was certainly one in which aid was acceptable: an enormous task of physical readjustment was necessary. Apart from destruction from bombing, Britain had converted her industrial and manpower resources to war more completely than any of her allies. The work of reconstruction and reconversion was, therefore, all the greater.

But through the post-war years Britain did become economically sound, indeed rich—internally—while remaining weak in her ability to meet the dollar requirements of the whole sterling area. However, from 1950 reconstruction was nearly complete and the remaining problems became that of getting more Canadian and U.S. dollars. This problem, incidentally, Britain shared with the rest of the world.

Between them, the Bank of England and the Treasury control the dollar holdings of the sterling area, and they had to make decisions about granting dollars for capital export.

Although Britain was still short of dollars after 1950, there was a gradual easing in granting permission to invest in dollar area projects. But permission was granted —and indeed still is—only for specific projects: there is no provision of any new supply of dollars for portfolio investment. All portfolio investment today is made in dollars which have been acquired through switching from other dollar securities, or, under the more recent liberalisation, from other securities in non-sterling area currencies.

Internal provision of capital, however, is a different matter. In line with growing prosperity, Britain's industries are generating larger volumes of savings than they can employ at home. These savings are in the form of retained earnings or with investment funds, pension funds, life

TABLE 2. U.K. Direct Investment in Canada by type of industry (owned or controlled by U.K. parent firms).

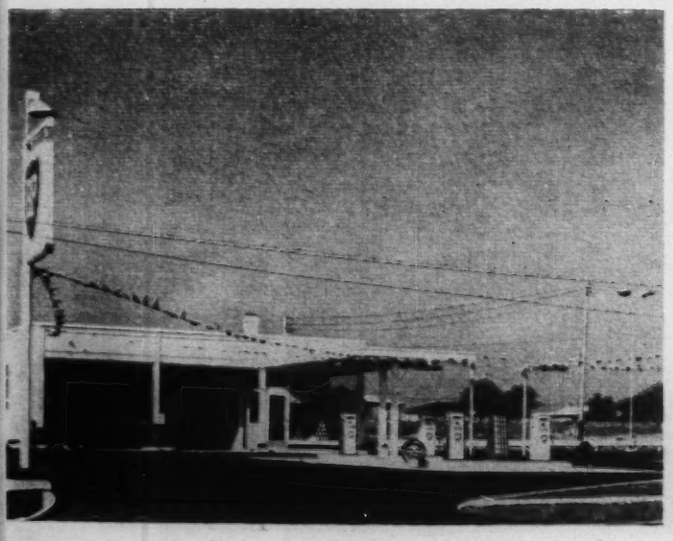
	1945 ($ millions)	1956 ($ millions)
Manufacturing		
Vegetable products	60	88
Animal products	3	5
Textiles	26	47
Wood and paper products	30	120
Iron and products	4	133
Non-ferrous metals	8	49
Non-metallic minerals	4	23
Chemicals and allied products	19	135
Miscellaneous manufactures	2	4
Sub-total manufacturing	156	604
Petroleum and natural gas	—	56
Other mining and smelting	22	48
Utilities (excluding pipeline)	16	39
Merchandising	51	150
Financial institutions	98	117
Others	5	28
Total	348	1,042

Dollar investment in petroleum, manufacturing record big gains.

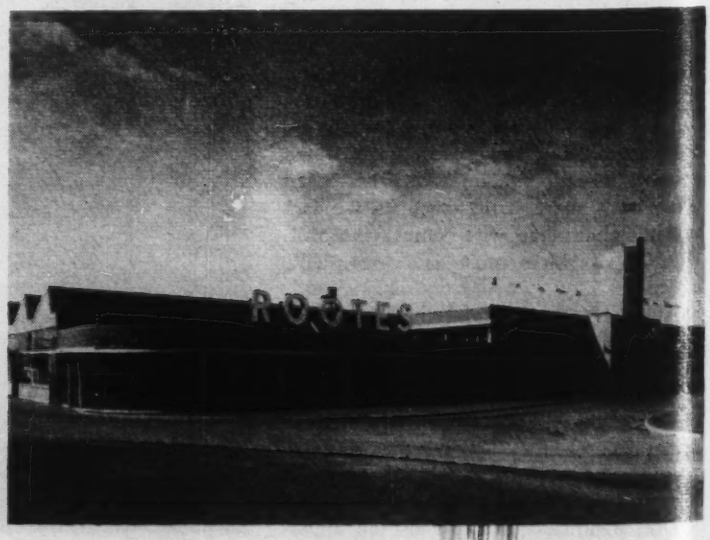
assurance companies and building societies. (Dividend policies have long been much more conservative in the U.K. than in North America.)

Although the building societies use their money for mortgage lending, the others tend to seek out the blue chips and these rarely have any real difficulty obtaining capital for expansion either at home or abroad.

Significantly, it is these blue chip companies which now are coming to Canada. It is the type of company that can spend $50 million with ease that is moving here. This does not mean, of course, that there is any prospect of Britain matching U.S. investment here, or even of her regaining her pre-war percentage in terms of total non-resident investment. But it does mean that there is now at least one significant source of exernal capital apart from the U.S. And perhaps equally important, the apparent British belief in the future of Canada may well spur other European areas which have large quantities of exportable capital to take another look at what we have to offer.



British Petroleums invades Canadian market.



U.K. autos increase share of Canadian sales.

"The drinking-est": Australian beer garden "Surfers' Paradise".

New Zealand had a Royal tour, too.

Down Under: New Zealand and Australia

by Dean Walker

CANADIANS CHASING business in Commonwealth countries need a stack of statistics on markets and means.

But, even more, these businessmen need an emotional assessment of the Commonwealth nationalities. You can sell best to people you understand. What follows is not a definitive study—but one man's opinion. But it is the opinion of a man who was born and brought up in New Zealand and has lived for quite some time in Australia.

If New Zealanders sometimes seem the world's most popular people, it is by default because they offer so little to criticize. They are conservative, sensible, quiet, complacent, unambitious, insular, conceited, well educated, intelligent and pleasant—in short, a bit of a bore.

Their personality reflects their country's long-established Socialism, checked as a test tube for years by the world's labor parties. An ideal size for social experiment, so rich that no system can really louse it up, the country led the world in giving women the vote, kids free schools and everyone free medicine. There are government trust and insurance companies, government home financing at 3%, free milk, apples and dental care in the schools, and nationalized passenger transport which is probably the world's most undignified. It has government for, if not dictatorship by, the proletariat.

Business is comfortably non-competitve in a community where everything closes from Friday night to Monday morning and most of the way through December and January. Taxes are high, inflation somewhat out-of-control. The businessman copes with enough restrictions to take the spark from his life and the surplus profits from his books. There is no zeal for hard work because wealth is so well spread. Personal service is almost unknown. If you could find a shoeshine boy in New Zealand he would expect you to call him "Sir" while he ruined your shoes to teach you not to get uppity.

New Zealanders have abundant leisure and nothing to do with it except worship sport and the great outdoors and drink beer in bars that make Canadian beverage rooms look like upper class salons.

New Zealanders are a practical people with few dreams of romance. Favorite occupation: debunking. Favorite sight: a society matron slipping symbolically on a banana peel.

Conspicuous consumption has little appeal. Roast lamb and green peas is the national dish and an American restaurant sells the only T-bone steaks in Aukland. "Gourmet!" is an insult.

The touring Canadians' accent will stir envy, resentment and reluctant admiration. Because the country is proud of its English-ness yet gets its standards of glamor from Hollywood, New Zealanders are shocked to find on the world tours that are now almost a national sport, that they prefer North American to English ways and people.

But New Zealand's pace of life remains the English crawl and not the North American bustle. The country clings to British ways, laws and international policies, idolizes the crown and tries to ignore a feeling of being alone at the empty end of the world.

Wool provides New Zealand wealth.

There is little color amongst New Zealanders. Controversies are hard to start: the State-owned broadcasting system, for example, permits no controversy or com-

Australian devotion to sport. Horse racing at Melbourne.

Lake trout for a New Zealand picnic.

ment on the air. Life is secure, content, fat, fairly serious and in consistent and depressing good taste.

The way-out Commonwealth country, New Zealand represents an Utopia at which most other countries aim. Perhaps by the time others reach this same standard of wealth and social justice, New Zealand will be generating a new excitement.

It would take at least that to lure the expatriate home.

Australia is flat, sunny, shallow.

So are Australians.

Australians are cynical and practical. They delude themselves in only one way: their own image of an Australian is of a rugged jut-jawed cowboy from the outback, defiantly proud of his convict ancestors, a perpetual pioneer. In fact, most Australians live in very large cities, with pot bellies more prominent than jaw bones.

Australians are the world's most happy-go-lucky white pople. Ten million of them inhabit one-twentieth of the world's biggest island and their only worry is keeping the rest of the world out of the other 95%. Australia is fearfully conscious of her dominant spot in the twentieth century's most important ocean. With uranium and other resources yet to be fully exploited, she refuses to grant entry to yellow, black or brown outsiders. Equally indignant at Governor Faubus and *apartheid,* Australians use their oceans as the world's most formidable color barrier. They have done less for their aborigines —who are really regarded as a national joke—than Canadians have done for theirs.

They are enthusiastic about a quick buck, unenthusiastic about hard work, resentful of arrogant employers. Any man-master relationship is concealed apologetically behind first-naming and drink-sharing. More vigorous Red-hunters than even the Americans, they nevertheless encourage European immigrants, even lend them the passage money, then victimize them unscrupulously.

They are unofficially cold towards the Crown, prefer Americans to Englishmen and struggle to build a south Pacific version of the American way-of-life. A rich enough country, Australia has some pitifully poor people both in the dust-dry outbacks and in the slums of Sydney.

Australians are the Commonwealth's swearing-est, drinking-est, brawling-est people. They will gamble on the speed of a horse, the flick of a coin or the whim of a fly. They worship their sun-saturated beaches, their blackened burly lifeguards, their cold beer and their unfeminine women. Despite a couple of first-rate symphony orchestras, they are impervious to anything labelled "culture": music for them is the rumble of horses' hooves racing for the Melbourne Cup.

The touring Canadian businessman will find Australians boisterous, pugnacious, yet possibly casual about business, likely to settle important arguments by tossing a coin. Yet, if he is not careful, they will sell him a share in the Sydney Harbour Bridge or in a non-existent goldmine.

He will find Australians interested in making money primarily as a means of being able to stop work so that they may concentrate on the better things of life—swimming, playing tennis, racing, gambling and drinking.

If the wandering Canadian can hold his beer and not take seriously the wild yarns which Australians will spin him as part of their natural welcome, he may find his business trip to Australia amongst the happiest and zaniest experiences of his life.

Urban aspect. Melbourne with River Yarra and bridges.

Queen Street in Auckland, New Zealand's largest city.

East of Suez: India and Pakistan

by Brian Greggains

ALTHOUGH THE INDIAN UNION of States and the Islamic Republic of Pakistan will possibly find this grouping odious, there are about the two countries many points of similarity for the sideline observer.

Each country is suffering from growing pains; the growing pains of youth; the growing pains of population. Already overburdened with people, the population increase for India and Pakistan is near one and a half per cent annually, which in India's case comes to the staggering figure of eight million.

Each is borne precariously on the shoulders of one man—India, on Sri Jawahrlal Nehru, Prime Minister—Pakistan, on General Mohammed Ayub Khan, H.P., H.J., President.

Each country lacks an adequacy of trained and dedicated administrators. At partition, India came off best in the split of government servants, but her problems are proportionately larger than her double-bodied single-headed neighbor.

Each is heavily dependent on outside aid and grants. And, because of this, and a growing realisation that running a country is a difficult undertaking—and perhaps the British Raj didn't do all that badly—foreign financial interest and investment is likely to be increasingly welcome. With certain cautious nationalistic provisos, understandable in such young countries, both Pakistan and India welcome overseas capital and enterprise and offer special inducements for these acts of faith.

It is worth noting that both are Republics within the Commonwealth—India becoming the first such in January 1950 and Pakistan following in March 1956. As separate political entities, though not as republics, both countries have been in existence since the passing of the Indian Independence Act by the British Parliament in July, 1947.

If they are to survive and grow stronger both need, more than anything else, their masses injected with incentives strong enough to shake off the apathy of centuries of marginal existence.

Within the Commonwealth, Canada and India hold a special but almost un-noticed relationship; one of quiet but active friendship and trust. In material demonstration of this friendship, it is certainly true to say that India has benefited most. But she is a country with a long memory, and one desperately anxious for friendship. She will not forget. It is not only gestures like wheat gifts or Canadian assistance with her first reactor that she will remember. Louis St. Laurent's advice which made it possible for India to stay in the Commonwealth as a Republic—his visit to India when he was in office and our present Prime Minister's visit last year — the friendly understanding of India's problems and stands at Commonwealth conferences and the U.N.; these have been noted and treasured. And—as an editorial in the *Eastern Economist* put it last November: "Here at least is an association in which conflict is unknown: perhaps history will use it for a great purpose".

The PM and Mrs. Diefenbaker at the Taj Mahal.

India—or Bharat, to use an again popular ancient name for the sub continent—is a land of paradox and contrast. The eighth largest country in the world, it is still only one third the size of Canada, yet has twenty-three times as many mouths to feed. The enormous multiple maw of its people threatens the very existence of the country. With only six to seven million families whose income is greater than that required for subsistence living, it is fighting a desperate battle against the prospect of ultimate total famine. Seventy-two per cent of the labor force lives off the land or the sea. Yet in 1956 there were fewer than 20,000 tractors throughout the Union. There were, on the other hand, 61 million bullocks, and six and a half million buffaloes serving as draft animals and a vast number of other livestock including sacred cows. All of these animals have to be fed — often on food which would supplement the people's diet.

Another desperate battle is that between the pressures of today and the ingrained traditions of four thousand years. In the second Five Year Plan—due to end in March 1961—a great emphasis is placed on rapid industrialisation, particularly of basic and heavy industries. Marching beside this effort is the Bhoodan movement, spearheaded by a Gandhi-like ascetic named Acharya Vinoba Bhave, which calls for land-holders voluntarily to donate out of charity one sixth of their ground for distribution to the landless.

According to a J. Walter Thompson survey done this year, there is less than one telephone for every thousand people and the number of bicycles sold is about one eighth the number of automobiles sold in the U.S. Yet an Indian film, *Pather Panchali,* was chosen the best shown at a recent San Francisco film festival.

One of the richest men is the world is the Nizam of Hyderabad, now absorbed into Andhra Pradesh. His personal fortune is estimated at hundreds of thousands—even millions—of dollars. The per capita income for the whole of India—when last calculated—was $62.

Statistics can give some impressions of

the Indian kaleidoscope. Some observations made in 1958 by a writer from England's *Sunday Express* may provide some new patterns. He wrote:

"India is a place where people are quite prepared to wait a long time for what they want. It is a country which has, at Bombay, one of the most efficient airports in the world, and has, at Calcutta, the world's worst slums.

"It is a country where men are paid to write letters, and where there are more dialects and languages than any one person can know.

"A country, too where a man thinks nothing of walking down the main street in a pair of shorts under an umbrella; where the gates at the back of the President's House are falling off their hinges; where men worship the same cruel sun that brings death to many of them; where the rich are richer and the poor are poorer.

graphical split was, in itself, a major source of trouble. As a *Manchester Guardian* writer expressed this problem in 1955: "West Pakistan is a land of donkeys, camels, purdah, mullahs, and Arabic scholars: it is a hodge-podge of the Middle East. East Pakistan is a land of timid men, of green jute and paddy fields, of lazy rivers and heavy rains; it is in Monsoon Asia."

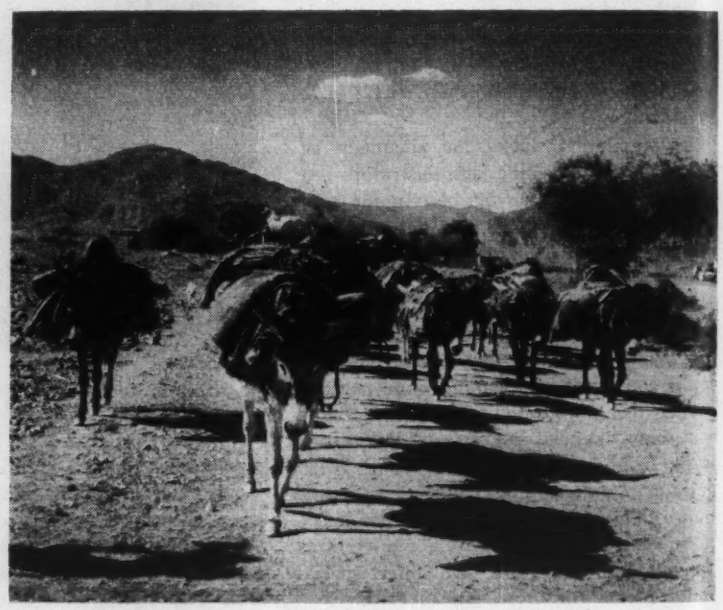
Between the two wings of Pakistan there has been constant friction. From the start, West Pakistan has been dominant politically although the East represents over half the population. It has tried to impose Urdu as the nation's official language: the East speaks Bengali. Karachi on the west coast was chosen the nation's capital. At one stage, even the top administrators in East Pakistan were from the West. A 1954 election brought about a complete reversal of this situation

smugglers and black marketeers out of existence and—through agricultural reforms—brought heart and hope to the masses, of whom ninety per cent live in villages, and seventy-five percent depend on agriculture for their livelihood. The 600 families who owned most of Pakistan's land have had most of their holdings wrenched from them for re-distribution to peasants and tenant farmers.

The new President, in eight years as Commander-in-chief of the Pakistan army, won for it a fine reputation of lean discipline and efficiency. Sandhurst trained, he seems deeply imbued with a British sense of fair play—also with the British ability to compromise occasionally where the end justifies the means.

The discipline he has applied to Pakistan's civil service. The fair play he has shown in his land reforms. The spirit of compromise is apparent in his dealings

Keen-eyed riflemen of the Khyber.



Donkey train still provides transport in Pakistan.

"India is a vast sprawling mass of life. It is a desert, and it is a garden. It is not only a country but an ancient civilization."

"This idolatrous civilization has fashioned idols new. The greatest among these newly invented Gods is nationalism.

"The garment that this deity wears is the shroud of religion; Humanity is divided into hostile groups and the unity of Islam is cut at the root."

When the Muslim poet, Dr. Mohammed Iqbal wrote this he was commenting on nationalism in pre-partition India. His words could equally well be applied to Pakistan, which arose from Muslim efforts to retain a separate identity within the Indian sub-continent. Even before the death in 1948 of Qaid-I-Azam, Mohammed Ali Jinnah, the founder of Pakistan, the new country was being torn apart with differences and problems, only some of which arose from the thousand miles of India separating its two wings. The geo-

with a new Bengali-led party—the United Front—winning the vast majority of seats in the legislature. This in turn led to chaos —temporarily straightened out by martial government, which again gave way to parliamentary government in the spring of 1955.

Laxity, corruption and a succession of weak, mixed-up governments all contributed to the instability which has been Pakistan's main characteristic since its birth twelve years ago. Until Mohammed Ayoub Khan took over, that is. The new President and his military dictatorship have been the best things to happen to the country in its brief history. In the twelve months since the bloodless revolution last October, Pakistan has worn a new, more confident face. "Under New Management" in this case has meant more than another name on the door. Swinging widely and vigorously with his broom-cum-axe, Ayoub Khan has eliminated corruption, scared

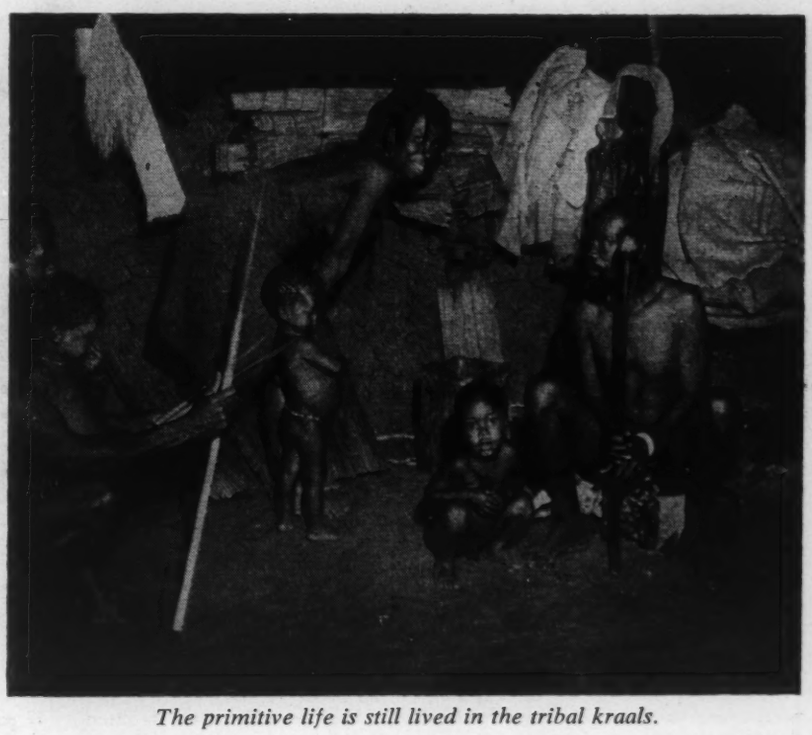
with India: his predecessors were blinded with the religious and sectional prejudices which were the very causes of Pakistan's formation at independence. Under his paternalism, it is likely that the agreement on use of the Indus by both countries—recently negotiated by World Bank officials—will take shape in a way which will be to the satisfaction of each party. This first attempt at working together, and common problems in other areas, such as the Red threat to the northern borders of both countries should bring India and Pakistan closer together—may even one day achieve the present unthinkable result of India once more united.

Pakistan continues to lean towards the West in its political philosophy and for help. It has much to thank Canada for beside projects like the much publicized Warsak dam. Canadian businessmen and tourists will find a warm welcome. More important, they will find a new country.

Violence is steadily increasing.

South Africa: Should It Be Expelled?

by Arthur Keppel-Jones



The primitive life is still lived in the tribal kraals.

OUGHT SOUTH AFRICA to be expelled from the Commonwealth? Our grandfathers would not have understood the question, and it rings strangely even today. We have not moved far enough from the imperial age to be able to think easily in these terms.

There used to be colonies, which were assets to the Mother Country for commercial or strategic reasons, or as fields for the overseas expansion of the British people; (they might be liabilities to the treasury). Now there are sister states of the Commonwealth, which can no longer be estimated in the same terms. If they receive "aid", they are not on that account reckoned as liabilities or "millstones round our necks". They are given aid because they are regarded, in non-material terms, as assets to the Commonwealth. But a country like South Africa, rich in material resources, is regarded in a moral and diplomatic sense as a liability.

The case for expelling such a country from the comity of British nations is, briefly, that its membership of the group is an anomaly. It is a cuckoo in the nest. The Commonwealth is believed to be a group of nations holding to the same values, the same political tradition, institutions, conventions and ways of thinking, speaking the same political language. The presence of South Africa obscures the nature of this unity, pushes the highest common factor down to an almost meaningless figure, brings discredit on the whole Commonwealth and could tend in the long run to disrupt it.

This is a strong argument. But in thinking of the Commonwealth, as of other institutions of British origin, it is well to concentrate on its practical working rather than on the theory that can be read into it. The member-states have for the most part inherited this trait from the imperial regime, and are not disposed to cut off their noses to spite their faces. The affairs of South Africa affect their interests in particular ways. Their purpose is to defend those interests, and their policy in respect to South Africa must naturally be subordinated to that purpose.

The overriding interest of the Commonwealth in the whole continent of Africa is to keep it out of the Communist camp. That interest is consistent with the benevolent purpose of promoting the prosperity, civilization, freedom and stability of the African countries. The two purposes are not only consistent but interdependent. In colonial Africa, the responsibility for achieving these ends falls squarely on the various imperial powers. For independent states there is no metropolitan power; they can be influenced from all directions, but by diplomatic and not administrative means. Thus all the Commonwealth countries have to adopt towards South Africa a policy that will serve, if they can be served, the purposes they have in view.

The Verwoerd regime is an ugly thing. It breaks most of the rules of civilised politics and government. But in this it does not stand quite alone in the Commonwealth. The leader of the South African Opposition still speaks from his front bench—while his counterpart in Ghana is in exile. The parliamentary system functions after a fashion—which is more than can be said of Pakistan. Yet Ghana and Pakistan are apparently members in good standing. South Africa is the whipping-boy because of its racial discrimination and the pagan doctrine of race which is its basis. These are thoroughly evil. But in an age when the colored nations are rising to independence and maturity they are also politically inexpedient. Racialism has become the deadliest sin, the most untouchable thing, for reasons of practical

politics as well as for the deeper moral reasons which were as valid before as they are now.

The Commonwealth could not hold together if it compromised with this evil. But Commonwealth countries should plan their relations with South Africa with a view to their effect on the whole African situation.

The prospects for peace, free institutions and a harmonious multi-racial society in the Union itself are bleak. The present regime cannot be permanent, yet there appears to be no possibility of its gradual transformation into a society that would be stable and free. Such a transformation is highly probable in East Africa, where the white population is numerically insignificant, and it is just possible in Rhodesia, where the white population is considerable. But events in the Union have repercussions to the north, and the kind of South Africa that emerges from the present tension and future upheaval depends in many ways on the form the upheaval takes.

Native quarters are segregated and living conditions poor.

The greatest disaster—for the people involved, for humanity as a whole, and incidentally for the Commonwealth—that could happen in southern Africa would be a racial war of black against white. Its scars would not heal in the foreseeable future, and people far from the scene of action would be emotionally and deeply involved. If it happened in the Union, the Rhodesians of both colors would be drawn into it, for in such a crisis blood is thicker than water. It is not necessary to enlarge on the consequences.

If the struggle in the Union could be kept or brought onto the plane of principle, and a straight conflict of races could be prevented, the gain would be immeasurable. This may prove difficult to do. But it is at this point that a skilful approach to South African affairs by other Commonwealth countries would have the best chance, such as it is, of making an effective impact.

The present South African government represents approximately half the white population. The other half is opposed to it, for the most part bitterly opposed. A small minority of these opponents rejects the policy of *apartheid* root and branch; the great majority dislikes some of its details, accepts it in general, and is anti-Nationalist on other issues. These issues are almost all related to the place of the English speaking people and the British tradition in South Africa, and to South Africa's relation to the Crown.

On these questions emotions are strong on both sides, and the division between the Nationalists and their opponents is deep. The Opposition is grossly underrepresented in Parliament, but comprises half the electorate. Its intensity is galling, and its numerical strength frustrating, to the government. The Nationalists behave as if they were the whole nation, a unique nation handling a unique problem which no outsider could understand. The Opposition of insiders gives the lie to this claim and puts a great, if incalculable strain, on the morale of the governing party.

It is obviously to the advantage of the liberal, the democratic and the Commonwealth cause that this strain should be maintained or increased. White South Africa divided against itself presents a tragic picture. But the ultimate tragedy would be the white South Africans united in enmity against the black. The present division gives just a gleam of hope—no more—that the lines of color may be blurred in the conflicts ahead. And this alignment of forces is sensitively affected by decisions made outside the Union. Nothing would be more likely to drive the English-speaking South Africans into the arms of the Nationalists than a rebuff from the kinsmen on whose support and encouragement they almost desperately rely. Political division has not destroyed, though it has weakened, South African patriotism. Expulsion from the Commonwealth would enable the Nationalists to rally their present opponents to a patriotic standard. It is almost certain that they would fail to do this if they took the initiative of secession themselves.

For each possible course of events in the Union, there is a corresponding repercussion in the Federation (the two Rhodesias and Nyasaland). The white Rhodesians are not color-blind liberals, but the policy of the Federation is vastly more liberal than that of the Union. It is moving fairly quickly in a liberal direction, while the Union moves the opposite way. The Rhodesians, in spite of their quarrels with the Colonial Office, are in sentiment rather more British than the British. Very many of them are of South African origin, latter-day UE loyalists who have moved north over the border. From the Commonwealth point of view it is important that the liberal trend should be accelerated, the British sentiment of the Rhodesians consolidated, and the Federation made economically, politically and strategically viable.

The secession of South Africa by its own act would bring an influx of South Africans into Rhodesia, would strengthen British sentiment and probably intensify the liberal trend also. But then the "land-locked island" would be in a psychological sense, and perhaps strategically, more obviously land-locked than before, an almost unique position for a British country. If, on the other hand, the Union were expelled from the Commonwealth by the other members, Rhodesia would feel the backwash of resentment from these people in the Union whose ties with the north are strongest. British sentiment would be weakened, and in Rhodesia that usually implies a drift towards the Union and *apartheid*. The sense of insecurity, of being "out on a limb" which the removal of South Africa would in any case engender, would in these circumstances reinforce the pull to the south.

Between the land of *apartheid* and resurgent black Africa the Federation is both a buffer and a compromise. The prospects in that part of the world would be even more hopeless and explosive if buffer and compromise were removed, and extremes met along the Zambesi.

While we discuss the removal of the Union from the Commonwealth, the South African government is bent on achieving that very object itself. The sister-states cannot, and evidently would not, prevent this. But their sympathetic understanding of the plight of those who oppose the regime to the end may keep the white South Africans divided, and so help a little to save them from themselves.

Air view of Piccadilly Circus as it is today, looking up Shaftesbury Avenue and Coventry Street.

London: Changing Face of the Capital

by Charles Taylor

LONDON, ONE OF THE Western world's oldest capitals, is having a face lift. Within a decade, traditional London—from Oscar Wilde's Mayfair to the slum-ridden East End of Charles Dickens—will have partly disappeared in the wake of a drastic building boom by public and private enterprise. In the process, the values of modern urban life are receiving a searching and often bitter scrutiny.

Everywhere in London today, you can see the changes — from the West End's gleaming new office skyscrapers to the vast slabs of public housing projects rising out of East End bomb craters. Behind the changes lie heated controversies between Government and Big Business, a welter of red tape, and the fears of many experts that central London is being relentlessly transformed into an ugly office-land, devoid of charm and devoid of people.

Unlike any North American city, central London concentrates in an area of eight-and-a-half square miles the home of a great nation's Royalty, Government and Business—as well as the arts and the national press. It attracts 1,500,000 commuters every day and millions of tourists each year. Quite literally, London is the heart of Britain, combining in one metropolis the major functions which Canada spreads among Ottawa, Montreal and Toronto.

Since the war, the growth of British trade and commerce has led to an increased demand for new and modern office space in central London. At the same time, the principles of the Welfare State have led the London County Council and the Ministry of Housing into ambitious schemes of slum clearance and re-housing. More often than not, these trends are in conflict, and the future character of London will be determined by the result of this debate between public and private enterprise.

In the private sector, about 25 big contractors are making large profits through a continuous process of buying sites in the West End and erecting tall office buildings. Thanks to the steady expansion of business and the need of companies in a planned economy to be near the center of government, there seems to be no end to the boom.

Most dramatic of the new skyscrapers is Bowater House. Completed in late 1958, the 17-storey, $5,500,000 structure is one of London's highest office blocks, and the first in modern London to straddle a main road. Built along the bottom of Hyde Park, it dominates the southward view from the Park—a prime example of how these new buildings are changing the skyline.

Another dramatic innovation is the planned transformation of Piccadilly Circus. Through a combination of private enterprise and an L.C.C. road-widening scheme, the historic Circus will be completely changed over the next ten years, with modern skyscrapers and a large central island replacing the small island which now houses the statue of Eros.

Private contractors have found a smaller boom in other buildings, including hotels

The new Bowater House, Knightsbridge, seen across Serpentine.

and pubs. One of the most eye-catching is the Samuel Whitbread, a large, semi-transparent, glass-fronted pub on a choice site in Leicester Square. Old-timers say it's an insult to the tradition of English pubs, but the brightly-lit newcomer attracts thousands of patrons each day.

Aside from the traditionalists, there is growing opposition to the way in which contractors are reconstructing central London. So far, most of the headlines have been won by a rambunctious group of architectural students who call themselves the Anti-Uglies.

Dismayed and depressed by many of the new buildings—especially some gloomy civic edifices—the students have taken to parading with signs such as "Ugly Buildings Are a Sin". Their main complaint is that too many of London's new buildings imitate the styles of other periods, while those with more up-to-date designs are often sterile slabs.

When officials gathered to lay the foundation stone of a new City bank, they ran into a procession of students bearing a large black coffin with the inscription "Here Lieth British Architecture". Another demonstration against a new, Renaissance-style library saw the secretary of the Anti-Uglies dressed as a 17th century architect and wheeled in a bath chair with the slogan "Three Hundred Years and Still Going Strong".

So far, the Anti-Uglies have received full and sympathetic publicity from the Press, an indication that they are not alone in their sentiments. And they have won support from several prominent architects.

"Imitating past periods of architecture just doesn't go with modern building techniques," said Frankland Dark, a leading London architect. "Many of the new buildings suffer because they are trying to provide the grandiose for managerial minds."

"Many of us would like to do more imaginative work," another young architect complained. "But by the time we're old enough to have our own way, we've been beaten into traditionalism."

Somewhat surprisingly, these views are echoed by *The Economist,* the weighty weekly which usually mirrors the thoughts of the business community. Said *The Economist* in a recent issue: "Anyone who looks at these buildings, designed either strictly on a neo-Georgian pattern, or—most popular at the moment—in the shape of an up-ended beer crate, cannot fail to be impressed by their unoriginal architecture and apparently outdated construction methods. America and most of Europe are far ahead of Britain here."

Government and L.C.C. officials—often accused of sponsoring some of the ugliest new edifices—have their own running feud with the private contractors. In the dry words of an L.C.C. pamphlet: "The spread of offices through . . . Central London is a threat to all the other activities whose survival is essential to the life of London."

Specifically, the L.C.C. is worried that the boom in offices is squeezing out theatres, clubs, hotels and restaurants—the sort of buildings which give character to a city. To an even greater extent, they fear that the offices are driving out the Londoners themselves.

Some startling figures back up their concern. In 1911, there were 424,000 residents in central London. Today, there are fewer than 220,000. More and more, Londoners are moving to the far suburbs and commuting to their offices—between 1952 and 1956, there was a 41% increase in the number of private cars entering London each day. It's also estimated that every day, 1,500,000 people come to work in London from outside the central area.

Aside from the tremendous parking problem, the real worry—in the words of *The Economist*—is that the boom in office building is "in danger of turning central London into a lavish but lifeless office suburbia". It's a problem which faces most large North American cities, but seldom on such a scale.

Officials are fighting the problem in several ways. In a negative line, the L.C.C. and the Ministry of Housing have a limited right to restrict office building in central London through zoning and through controlling the ratio of office space to site area.

Critics charge that the ratio is too low, and that clever contractors find ingenious ways of getting around the regulations. As the Socialist *New Statesman* said recently, "the pass has already been sold".

One brake on private building has already been removed. It used to be thought that London could never be a city of sky-

Same building, high tower foreground

scrapers. Because of the sandy sub-soil, 100 feet was posed as the maximum height. Thanks to modern building techniques, contractors are now allowed to build as high as 300 feet (St. Paul's Cathedral is 270 feet tall). In Britain, buildings that high count as skyscrapers.

In a way that is typically British, one unwritten law limits the height of buildings in part of the West End. It's seldom mentioned in public inquiries, but the L.C.C. and the Ministry of Housing discourage the construction of any building tall enough to overlook the grounds of Buckingham Palace.

Along positive lines, the L.C.C. has embarked on an ambitious program of slum clearance and re-housing which has already made it the world's largest municipal landlord. Since the war, new, publicly-owned accommodation has been provided for 100,000 families, largely in the slum-ridden and bomb-riddled East End.

In terms of statistics, the L.C.C. owns 183,000 dwellings (89,000 apartments and 94,000 houses), housing over 700,000 people. Since the war, 84,000 new dwellings have been built, 3,000 war-damaged dwellings repaired and 8,000 temporary bungalows erected.

In terms of what you can see, it has meant a striking transformation, especially in the East End. Before the war, the East End was largely filled with street after street of grime-encrusted slum cottages, the skyline dominated by huge gas storage tanks and dockyard cranes, and the air full of soot and the smell of gas. To make a comparison, you'd have to multiply more than ten-fold the east end of Toronto harbour.

Now the cottages are coming down, and in their place are rising tall and slender blocks of apartments, with brightly painted doors and adequate garden areas.

Model of approved scheme, Piccadilly.

Within these Council dwellings, Londoners are housed cheaply as one of the essential benefits of the Welfare State, with a resulting tax burden that might be considered too drastic in Canada. The average three-room apartment costs the L.C.C. about $450 a year, including maintenance and capital charges. Of this sum, only $175 is paid by the tenant as rent, while $125 comes from Government subsidy and the rest from general L.C.C. rates.

It is an impressive achievement, but not without drawbacks. There is no equivalent of a North American housing czar or a dynamic mayor who can direct all the re-housing forces. Housing in London is the joint responsibility of the L.C.C. and the county's 28 borough councils. Although the L.C.C. and the boroughs work together, the resulting red tape makes any dynamic policy impossible.

Another problem is the sheer size of the task. Aside from slum dwellers whose homes are marked for demolition, the L.C.C. has a waiting list of 160,000 people seeking new Council homes, and over 50,000 of these are considered to be in "urgent need". As one L.C.C. official said: "Sometimes it seems like a nightmare. No matter how much we do, the end is never in sight."

Yet another difficulty is acquiring the land to be cleared. Once a slum area has been declared unfit, it may take a year before work begins, since the owners of the slums can demand a public hearing if they object to demolition.

Above all, there is the human problem. "All East Enders are incredibly parochially minded," said Henry Wright, one of the L.C.C.'s top housing officials. "Most of the slum dwellers are dockers; they've lived on the same street all their lives and it's a major disturbance if they have to move two streets away. And the small shopowners who have been selling the same goods to the same people for years will suffer badly unless we re-settle them in the same area."

According to Hilda Wilson, an L.C.C. Welfare Officer, "Few of the East Enders are happy at the idea of moving. But once they've moved in, they're usually delighted at what we've given them."

A tour of East End housing projects backed up this claim. Most of the new tenants showed off their well-kept quarters with obvious pride and were especially happy about unheard of conveniences such as indoor toilets and drying closets.

Aside from the East End, officials are taking the battle right into the home of Big Business—the City itself. In a heavily bombed, 35-acre site north of St. Paul's —called the Barbican after a gate-house in the old City walls—the City Council is backing a plan to inject residential life into the almost homeless heart of London. (At present, about 600,000 people work in the City, but only 5,000 live there).

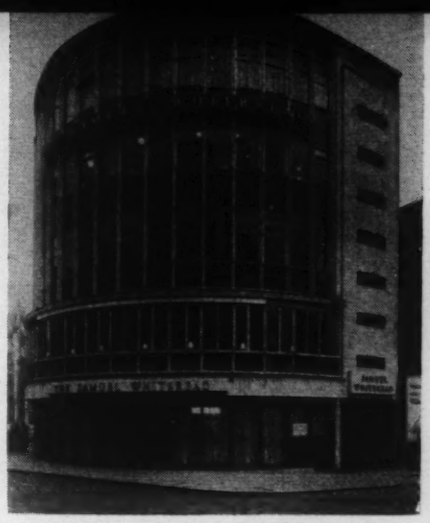
Leveled in one night of bombing, the Barbican area has laid waste since 1940. Previous plans to rebuild it were blocked because of bureaucracy or because they concentrated on factories and offices.

Now the City has approved a $60,000,000, seven-year project to build a self-contained community of houses, apartments, stores, schools, a theatre and a concert hall, mixing the residential and the commercial. Most of the taller buildings will rest on columns above the street, to ensure the undisturbed flow of traffic.

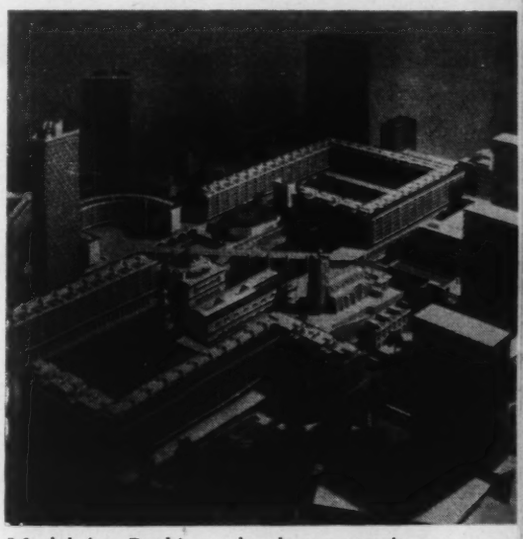
Advocates of the Barbican plan call it "a bold and imaginative concept". Critics say it is too little and too late. Writing in *The Observer*, R. Furneaux Jordan says the present view from St. Paul's is one of "anarchic horror—a scene that today no other country in the world—'civilised' or 'backward'—would for one moment tolerate."

And so the battle continues, with private enterprise going on a spree of office building, and governments trying to keep pace with houses and apartments.

One thing is certain. More and more, you'll have trouble identifying the old familiar landmarks, because like an old lady on a ghastly spree, London is changing her face.

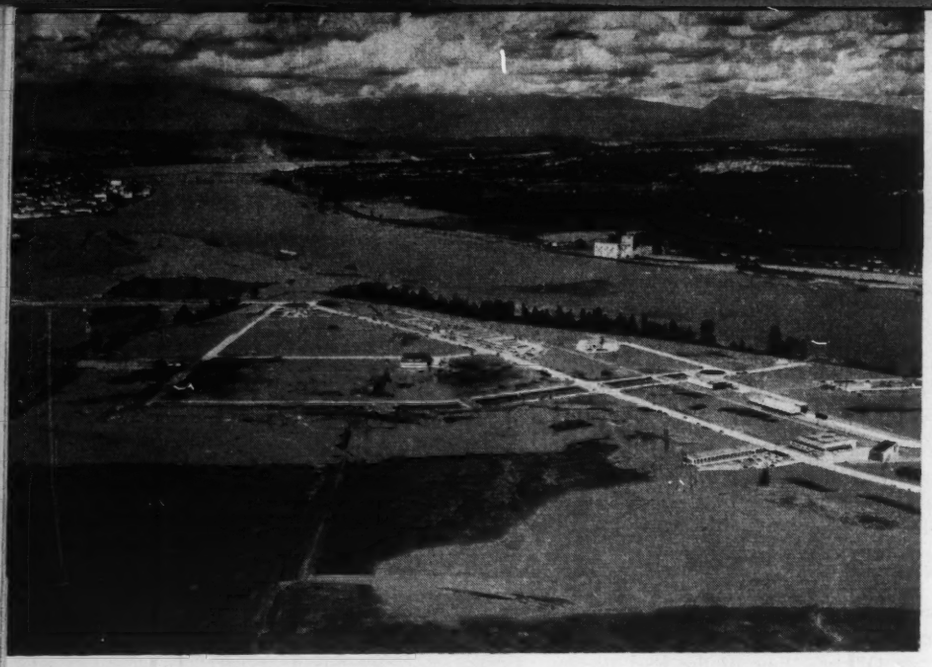


Eye-catching pub in Leicester Square.



Model for Barbican development, city.

Children in modern housing scheme.



Annacis Island development near Vancouver is typical of British capital investment and methods employed.

by Robert Jamieson

Capital: Banking for the Sterling Commonwealth

LONDON WAS ONCE regarded as the banker for the world. This is no longer so; but the City is still the banker for the Sterling Commonwealth, and most of the capital that is building up the more developed and the less developed areas of the Sterling Commonwealth comes from London.

Britain is the only net exporter of capital in the Commonwealth, although certain areas, notably Canada, export capital to other parts of the world. In these cases, however, the export is offset by even heavier import.

The term Sterling Commonwealth needs explanation: it is, in effect, all of the Commonwealth excluding Canada. Canada's dollar position has placed her outside the area in which Sterling is the freely exchangeable currency. The Sterling Area is again another concept: for it includes not only the Sterling Commonwealth but countries such as Burma, Iceland, the Irish Republic, Iraq, Jordan, Libya and some Persian Gulf territories, which have tied their currency to Sterling.

There is no control of transfer of capital between the United Kingdom and Sterling Area countries, therefore it is difficult to know precisely how much has been placed by firms and individuals as direct investment in the Commonwealth, but there is normally a large net movement of capital from the United Kingdom to the Sterling Commonwealth.

The total of this flow has been estimated at around $560 million a year in recent years, but there has been a significant increase in government capital in the past year or so—particularly since the Commonwealth Economic Conference in Montreal—and it is probable also that, with greater prosperity and a higher degree of corporate liquidity in Britain, private direct investment also has increased. In addition, British firms have been placing in direct investment in Canada something like $100 million a year for some years past and Britain has made repayments of $56 million on the Canadian loan in most years.

Britain has thus been making available around $700 million a year for development overseas. This is a substantial figure, for an island that is itself developing industrially at a rapid pace and requiring large amounts of capital both for industry and for public works such as the atomic energy program.

The contribution from the mother country to the Sterling Commonwealth's capital needs since the war has been about 70 per cent of what they have received: most of the rest came from the United States, either directly, or through the World Bank.

Here is a brief run-down of the means by which capital funds flow from Britain to the Commonwealth territories.

Private funds: These pass through three main channels: (1) direct investments by United Kingdom firms, (2) funds raised on the London market by Commonwealth governments, public corporations, or companies, and (3) the Commonwealth Development Finance Corporation. To elaborate:

(1) **Direct Private Investment:** this includes transfer of new funds by United Kingdom companies to their enterprises overseas; the re-investment of profits earned by these enterprises; and the direct export of equipment from the U.K. to the enterprises. Examples are the setting up of branches of the big British motor firms; expenditures by oil companies on wells and tanker terminals, as well as refineries and distribution facilities; and the traditional investment in rubber and tea plantations, and in tin and copper mines.

(2) **Funds from the London Market:** Both public authorities and private corporations must obtain consent to place an issue on the London market. Because of strong competition for capital, permission to borrow has generally, since the war, been restricted to governments, but since the Commonwealth Conference in Montreal last year, the United Kingdom authorities have been prepared to consider applications from subordinate authorities — in the main public utilities — in the less developed countries.

(3) **Commonwealth Development Finance Corporation:** This company was set up in 1953 to channel funds into

Commonwealth development schemes likely to strengthen the external position of the Sterling Area, especially schemes for which sufficient funds could not be obtained from normal sources. The corporation tries to confine its support to private concerns, though public corporations are not wholly excluded from consideration. Its capital, subscribed by U.K. firms and by the Bank of England, is $73 million. It can borrow up to twice this amount for re-lending. So far it has invested in such enterprises as pulp and paper in New Zealand, electric power in Malaya, timber in Swaziland, steel and electric power in the Federation of the Rhodesias and Nyasaland, and oxygen in India.

Public funds: (1) **Government-to-Government Loans and Grants:** much of the money flowing to the Commonwealth is made available under the Colonial Development and Welfare Acts. This supplements money raised by Colonial governments in the London market, or locally. It is spent on public services such as health, roads and education. Funds are also made available under the Colonial Services vote, which means they are a charge on the United Kingdom taxpayer. Loans are made, as well, under the Export Credits Guarantee Department's rules, to finance purchase of equipment from Britain.

(2) **Colonial Development Corporation:** Since it was set up in 1948 the corporation has helped projects ranging from electricity and water and agriculture and mining, to houses and hotels. It has power to borrow up to $450 million, but is required to pay its way. Its loans have brought into existence many enterprises in the colonies that would not otherwise have been started.

(3) **Sterling Releases to the World Bank:** The United Kingdom made available $170 million in 1953, to be released over about six years, the money to come from the UK subscription in sterling to the world bank. Almost all of this has now been lent for such projects as steelworks in India, power stations in Pakistan and railways in South Africa and Nigeria. A further $56 million is to be made available in the same way.

Another form of capital assistance was the measures taken by the United States, the United Kingdom and other countries, including Canada, to bridge the foreign exchange gap in India's five-year plan.

The less-developed Commonwealth countries are assured of greater aid in future; for example, through the Commonwealth Assistance Loans from the United Kingdom — the most recent was $42 million for Nigeria — and the resources of the United States Development Loan Fund.

Both Canada and the United Kingdom have contributed to increased capital for the World Bank and the International Monetary Fund both of which help Commonwealth countries.

The new International Development Association, which will be an offshoot of the World Bank, will likely soon be in operation. This agency will have wider powers and be able to be less stringent in its assessments of projects than the World Bank is required to be. While being more powerful financially than the existing purely Commonwealth organisations, it will probably have some of their flexibility, and will undoubtedly draw on their experience as well as that of the agencies of the United States government concerned with overseas development.

There is every indication that United Kingdom capital investment overseas will increase sharply in the next few years. Re-equipment at home is almost complete, Sterling Area reserves are rising, and the wave of prosperity which Britain, like other European countries, is now enjoying can be expected to generate substantially greater sums for overseas investment than have been available in the past.

Private capital is also seen to be flowing into Sterling Commonwealth countries at an increasing rate. The Australian Treasury has announced that private capital from abroad and loans raised overseas reached a record $400 million in 1958-59, and South Africa, New Zealand and Rhodesia all report higher volume of foreign investment.

The immediate prospect for the provision of funds for the capital-hungry countries of the Commonwealth is brighter than it has been for some time, partly because of the greater availability of funds from Europe, partly from development of more flexible agencies and new devices for lending, and partly from the much sounder economies that are fed by the rising world demand for raw materials that should keep commodity prices firmer than they have been in some recent years.

Amounts Authorized for U.K. Loans and Grants to Sterling Commonwealth Area
(excluding direct investment by U.K. firms)
(In $ millions converted at $2.80 to £1)

	1954	1955	1956	1957	1958	1959 (first half)
PRIVATE LOANS						
London market	242.5	177.2	186.5	237.4	220.9	78.6
Commonwealth Development Finance Company	15.4	8.4	10.4	2.8	4.2	0.6
Total private loans	**257.9**	**185.6**	**196.9**	**240.2**	**225.1**	**79.2**
PUBLIC LOANS AND GRANTS						
Colonial Development and Welfare Acts	43.7	60.8	89.5	53.5	56.0	35.0
Colonial Services Vote	79.5	62.7	52.1	59.1	68.0	31.6
Export Credits Guarantee Department	28.0	—	42.0	—	79.8	36.4
Other Loans and grants	25.5	19.8	23.0	25.5	27.8	13.8
Colonial Development Corporation	17.9	23.0	57.4	14.0	14.0	19.8
Disbursements from U.K. subscription to World Bank	6.4	7.6	18.8	42.3	47.0	41.4
Total public loans and grants	**201.0**	**173.9**	**282.8**	**194.4**	**292.6**	**178.0**
TOTAL private and public	**458.9**	**359.5**	**479.7**	**434.6**	**517.7**	**257.2**

NOTES (1) The Sterling Commonwealth comprises all Commonwealth countries except Canada
(2) Since there is no control on capital movements between the United Kingdom and Sterling Commonwealth countries, it is not possible to include in such a table as this the amounts directly invested in these countries by United Kingdom Corporations.

The Trade Pattern: A New Look Needed

by David Grenier

CANADA'S GROWTH in the postwar period into one of the world's great trading nations has shown that even prosperity can have its headaches. For while the development of foreign trade that has taken place has been the envy of countries that have not enjoyed the same degree of commercial success, it has only taken place at what, to many people, is the penalising cost of excessive dependence on a single market and source of imports —namely the United States.

Side by side with this development there has been a more or less continuous decline in the importance of the United Kingdom and other Commonwealth countries as trading partners for Canada. Britain—which was Canada's largest single customer before the war—has been dwarfed by the rise in stature of the U.S. as an export market for Canadian goods. Likewise the proportion of Canada's imports derived either from the U.K. or other Commonwealth sources has roughly halved since the 1930s.

A good part of the recent efforts devoted to trying to re-establish something akin to the status quo has arisen from the realization that too close ties with the U.S. market can have their economic as well as political drawbacks. Thus although Canada has benefitted from the insatiable demand of the U.S. economy for industrial materials and other goods and services, this country has suffered equally sharply from the contraction of the U.S. economy during recession periods.

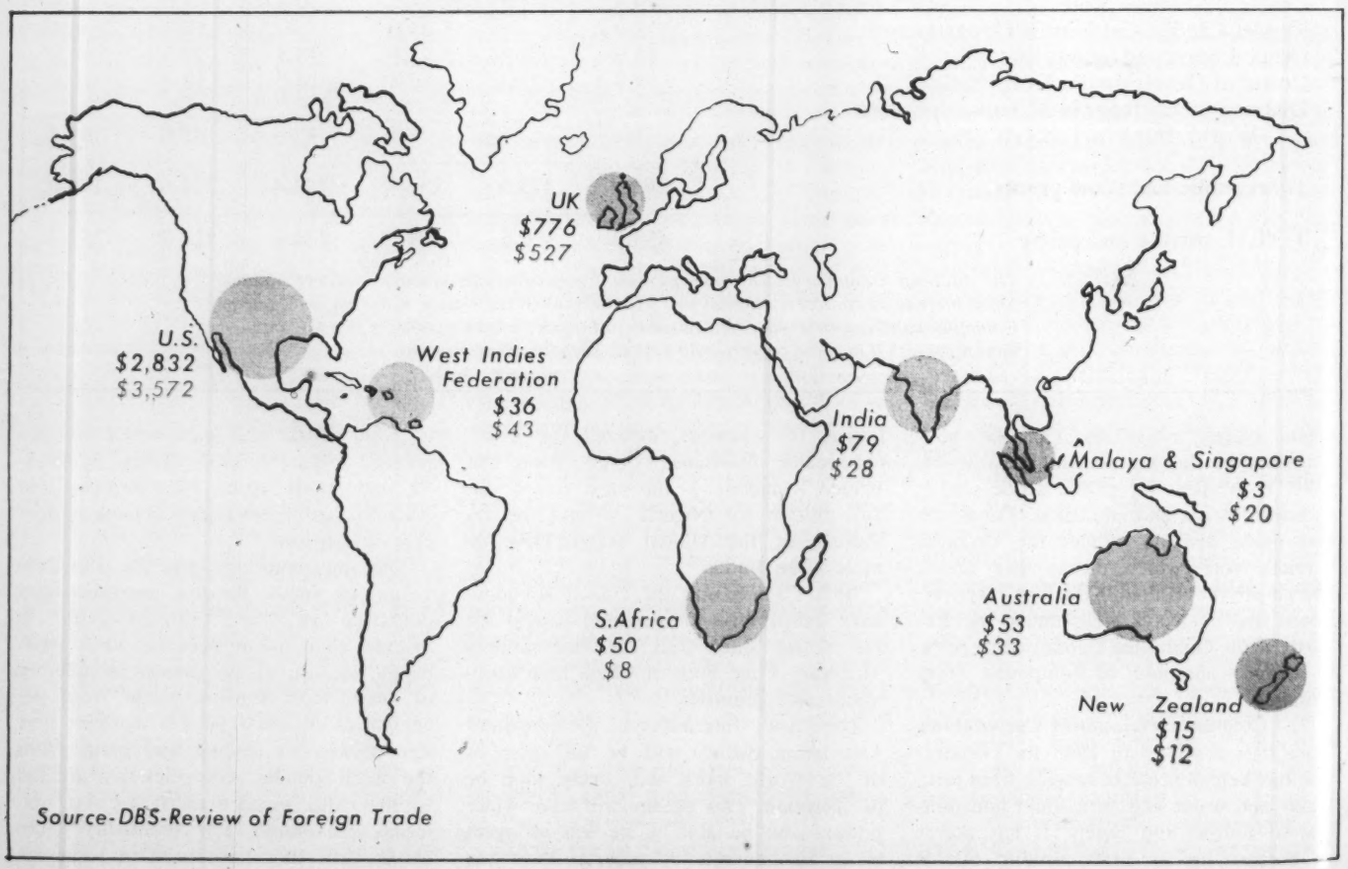
The risks of being over-committed to the North American economy were in fact brought home during last year's business downturn. And although the evidence this year of an equally rapid recovery from recession conditions is present in the big increase in Canada's trade with the U.S., it would need a person with an exceptionally short memory to be unaware of the painfulness of a recurrence of exposure to the North American business cycle.

Under these circumstances, Canada's pattern of trade last year showed encouraging if deceptive signs of diversification Britain and other Commonwealth countries obtained their biggest share of the import market in several years. Simultaneously, Canadian exports to Britain showed a gratifying 5% increase in value (against a slender 1% increase to the U.S.).

But outside of the bald trade statistics, there were real signs of encouragement in the change of economic climate in Britain and the rest of the Sterling Area. This in turn meant the removal of some of the conditions held responsible for inhibiting Canadian trade with the Commonwealth since the opening of the dollar gap in the 1947-48 period.

The removal of quota restrictions on dollar goods entering the U.K. was one such sign of encouragement. Over a period of years the U.K. government had gradually relaxed its controls on imports of a wide variety of foodstuffs and industrial raw materials. At last year's Montreal Economic Conference a start was made

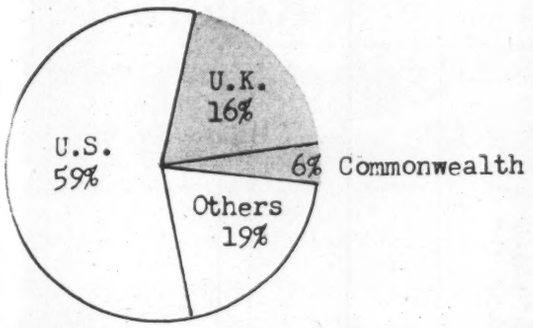
Canada's Trade with the Commonwealth, 1958



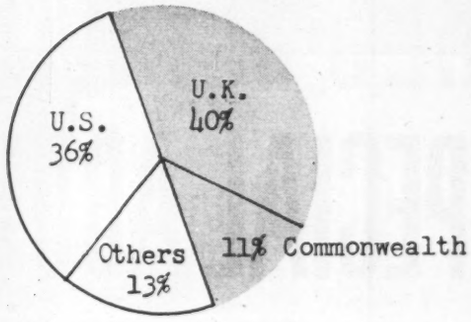
The pattern of Canada's trade with the Commonwealth and the U.S. Figures in red are for imports, black for exports.

Distribution of Canadian Trade

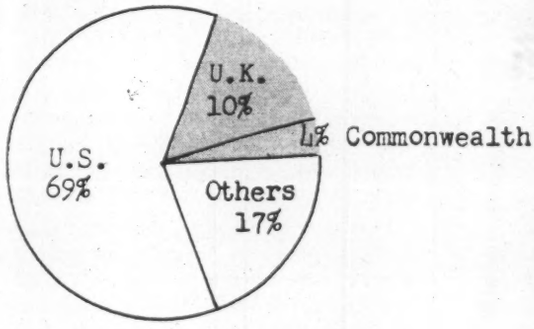
EXPORTS 1958

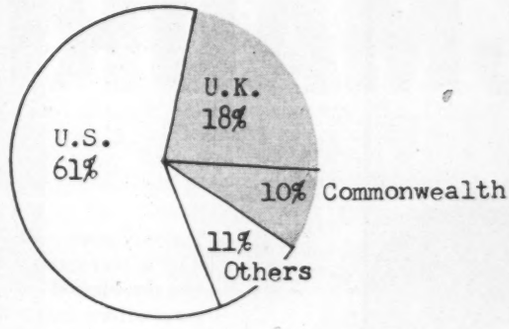


1935-39 (average)



IMPORTS





on manufactured goods—including such items as industrial, agricultural and office machinery as well as newsprint and some canned foodstuffs (for instance salmon).

Last December, too, the pound sterling was made officially convertible for all except residents of the Sterling Area—a step towards the re-establishment of the form of multilateral trading whereby in prewar years Canada would balance a deficit on current account with the U.S. with a trade surplus vis-a-vis Britain and the Commonwealth. Finally, early last June, import controls were lifted on a wide variety of consumer goods.

In isolated cases, these changes had the desired effect. For instance the removal of U.K. import controls on canned salmon made it possible for the British Columbia salmon fishing industry to increase sales to roughly $23 million from $6 million the previous year. On the other hand, those who expected a ready market to open up for Canadian goods in other fields may find the latest trade figures somewhat disappointing. In the first seven months of this year—while exports to the U.S. were increasing 11% over the comparable 1958 period exports to Britain were dipping to $18 million from $444 million in 1958. Exports to the Commonwealth were also down to $161 million from $182 million in the first seven months of last year).

On the import side, too, this year, the increase in value of goods entering Canada from Britain and the Commonwealth has been far overshadowed by the steep rise in imports from the U.S.—totalling $2,299 million against $2,103 million in the January-July period of 1958.

By and large the failure of Canadian trade with the Commonwealth to regain its prewar importance represents the normal attrition of markets through the growth of commercial demand elsewhere—particularly for new products. To give just two examples of this process: the development of uranium and iron ore deposits in Canada has been tied to the requirements of the U.S. market, and both items have become major ones on the Canadian export list. Similarly the demand for oil in the Montreal market has spurred imports from Venezuela—whereas Canada's main prewar import from the Caribbean area was sugar from the British West Indies.

Nevertheless, the process is far from being one-sided and disadvantageous to the development of Commonwealth trade. The exploitation of bauxite deposits in Jamaica has given that island an important export item to Canada. Again, a marked switch in Canadian consumer taste has enabled the U.K. to capture the position of main supplier of imported automobiles—a position long held by the U.S.

Nor has government policy been laggard in seeking to maintain the trade nexus with the Commonwealth. In particular, shipments of Canadian wheat and flour to India and Pakistan—either as an outright gift or on extended credit terms—have shown that Ottawa has been willing to implement the work of normal commercial channels. Yet another practical attempt to link Canada commercially with the Commonwealth has been the recent proposal of a Commonwealth "Low Fare" scheme, whereby Trans-Canada Air Lines would pool its resources with BOAC, BEA, Quantas Air Lines, Air India and other Commonwealth lines, in order to meet foreign competition.

This is not to say that any return to the prewar system of Commonwealth trading inspired by the preferences negotiated at the Ottawa Conference of 1932 is ever likely—not at any rate in the foreseeable future. These preferences played a valuable role in stimulating inter-Commonwealth trade during a period of world-wide depression. Since that period, however, their importance has been eroded by the change in prices, by the lowering of tariffs under the General Agreement on Tariffs and Trade (GATT) and by changes in the levels of demand experienced in different countries.

The Commonwealth itself has changed radically, the interests of its various members showing an increasing amount of divergence. Britain has been attracted to the European market—hence the importance of the current negotiations for setting up a Free Trade area of the Outer Seven. Canada, and more latterly Australia, have been aggressive in industrialising their economies. Other countries—notably India—have had to look outside the Commonwealth for capital for development.

Under these conditions, a return to the old Commonwealth system — whereby Britain imported primarily raw materials from Canada, Australia, New Zealand and other countries while exporting manufactured goods in turn to them—cannot hold much attraction for Canada. Certainly not while larger, more dynamic markets exist much closer to her.

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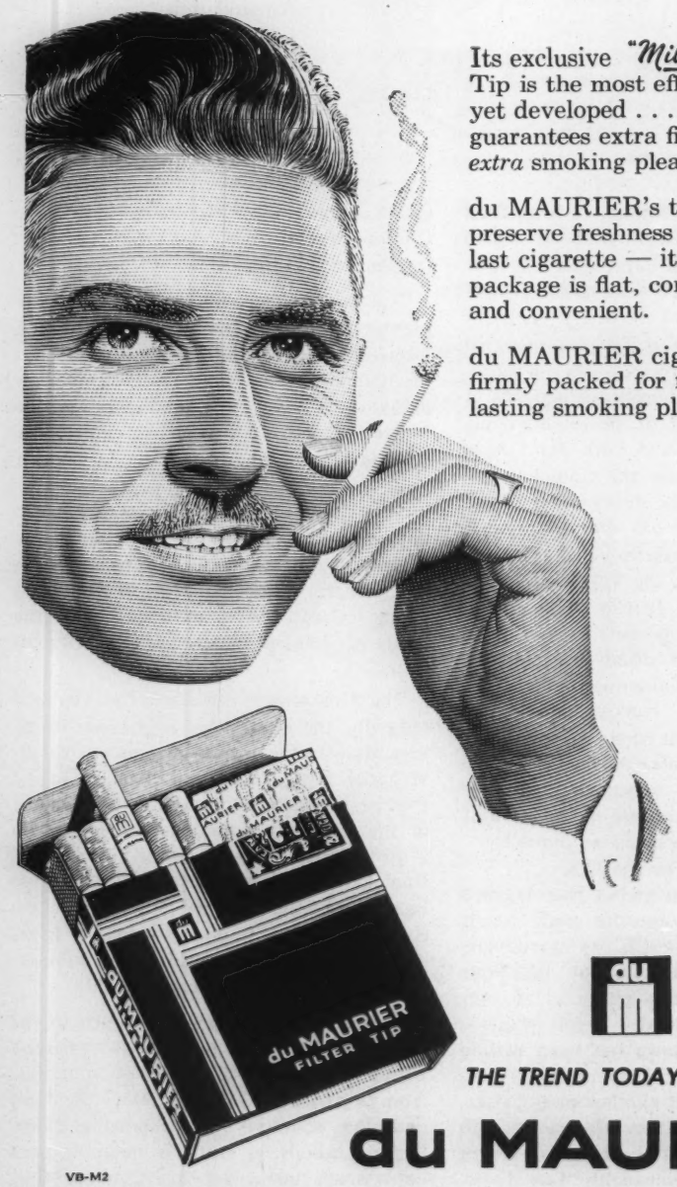

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Records

by William Krehm

Mahler: Symphony No. 1 in D Major. Sir Adrian Boult conducting the London Philharmonic Orchestra. *Everest LPBR-6005.*

It is a sign of the advancing Mahler wave that we should be offered a recording of an English conductor performing one of his symphonies. For decades the British musical public was inclined to dismiss Mahler and Bruckner as odd Central European aberrations, and British books on music rarely failed to catalogue the supposed errors of Mahler—long-windedness, a lack of original themes, and so forth.

It is only in our day that the English-speaking public is learning to listen to Mahler with other ears, and to recognize that he has dredged regions of the soul that other composers had passed by. Those snatches of tawdry ditties that crop up in his music—*Three Blind Mice* in this First Symphony—are laden with a burden of association. And if his symphonies at times seem to run on and on that has no more to do with faulty organization than the length of the sessions on a psycho-analyst's couch.

Sir Adrian turns in a commendable job but occasionally handles the music in too noonday a mood. The *Laendler* of the second movement—done rather too fast—is too much like the real thing overheard in a rustic inn instead of the ghostly recollection filtered through the mists of time. It is Mahler with an English accent, but even that in its way makes musical history. Sound good.

Mendelssohn: A Midsummer Night's Dream, Incidental Music. Symphony No. 5 "Reformation". Paul Paray with Detroit Symphony Orchestra. *Mercury MG 50174.*

Recordings of the Midsummer Night's Dream music have been so frequent that one seems always to be reviewing them in pairs and forever adjudicating the bounce of elfin arches and the cut of fairy wings. However, the work is so enduring a miracle that no good reading can be considered oversupply. Of these two excellent discs the London has the novelty of adding two perfectly enchanting vocal numbers to the instrumental items usually heard.

The Reformation Symphony gives us Mendelssohn at a less inspired moment. Still, Paray handles the music with a freshness and impact that help us over its more arid stretches.

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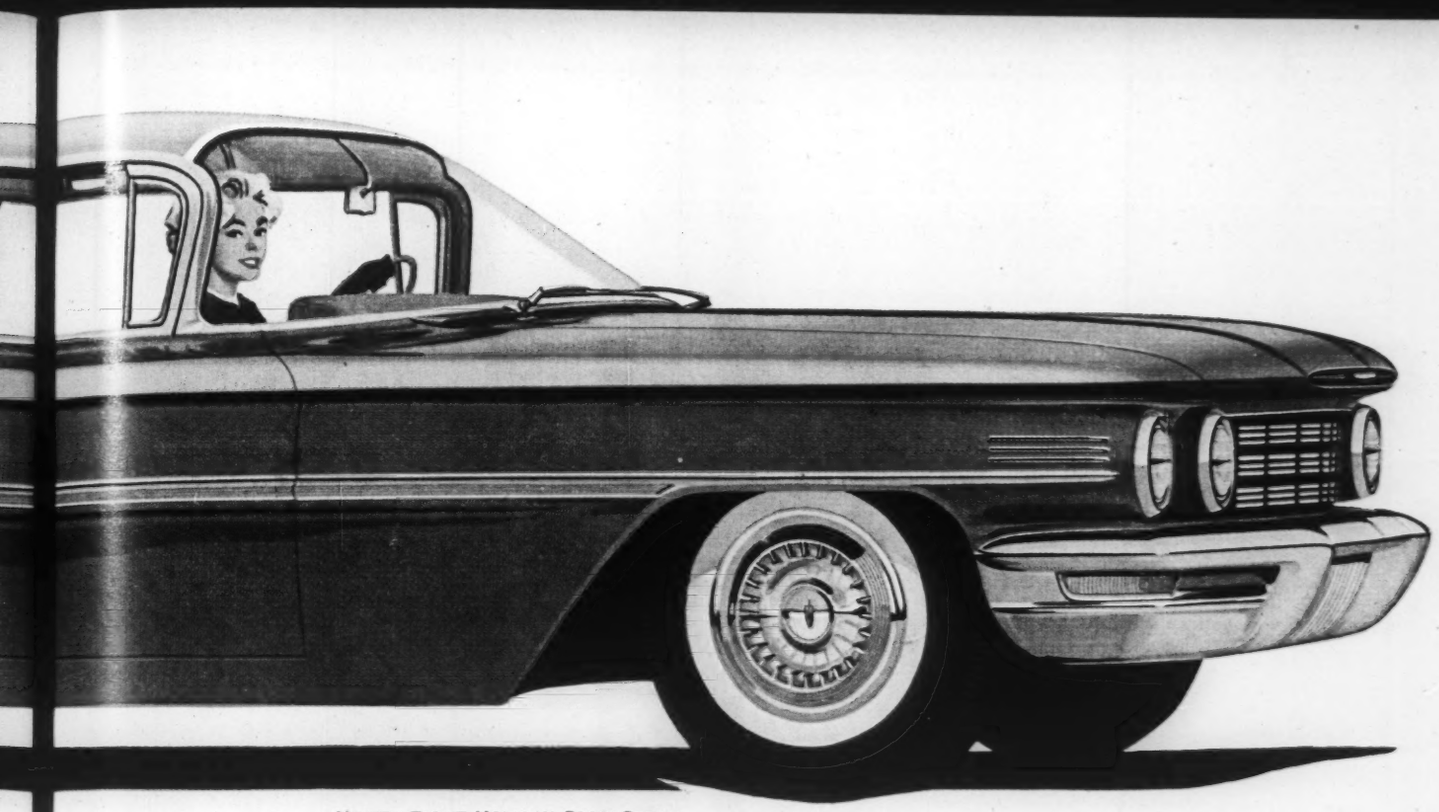

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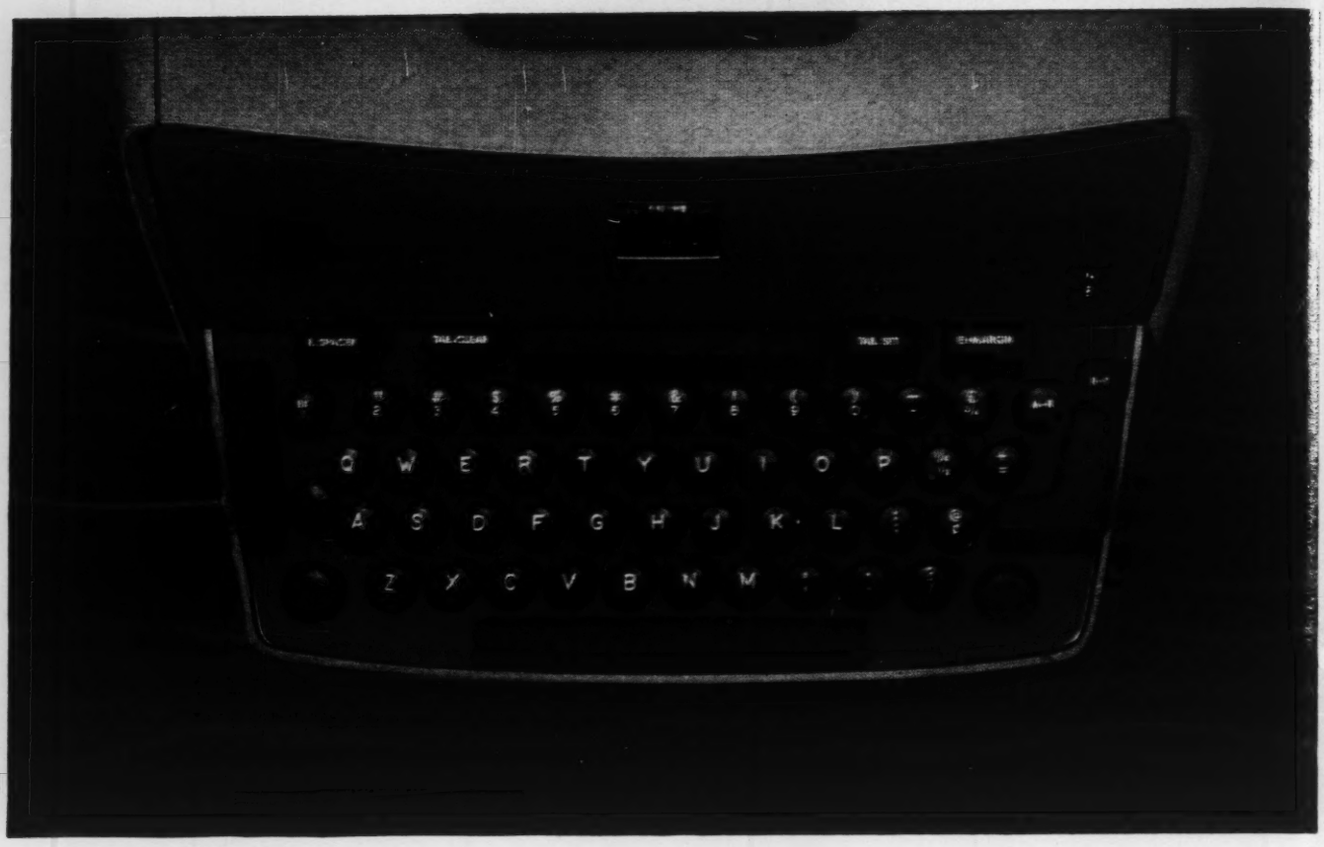

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Books

by John Gellner

Why They Hate Us

From the jacket "Siege at Peking".

"FORGIVE AND FORGET" is a noble principle which is even practiced at times, usually by those who have in the end come out on top. To demand of the perennial underdog, of the human worm who has been mercilessly trodden upon, that he forgive his tormentors and forget what they did to him, is to add insult to injury. Yet Westerners who find themselves today among the peoples of the East are invariably amazed—and hurt—when they come to realize the depth of hatred of the white man which prevails in these parts. "Sure, our forebears dealt rather high-handedly with the Asians and Africans", we are wont to say, "but this was ages ago. Why do these confounded natives insist on visiting upon us, who are so nice to them, the sins of our fathers?".

In Peter Fleming's account of the Boxer rebellion in China, *The Siege at Peking*, this question is answered most convincingly. In fact, the exasperation of the Chinese caused by the insensitivity of the white man is the central theme of his remarkable book. It is this exasperation which has bred the virulent and violent Chinese xenophobia which in this century has again and again brought to power in China governments willing to inscribe "Death to the foreign devils" on their banners. (Chiang Kai-shek, for one, was able to conquer China at a period in his career when he was rabidly anti-foreign. He lost popular support when he became suspect of being a servant of the United States).

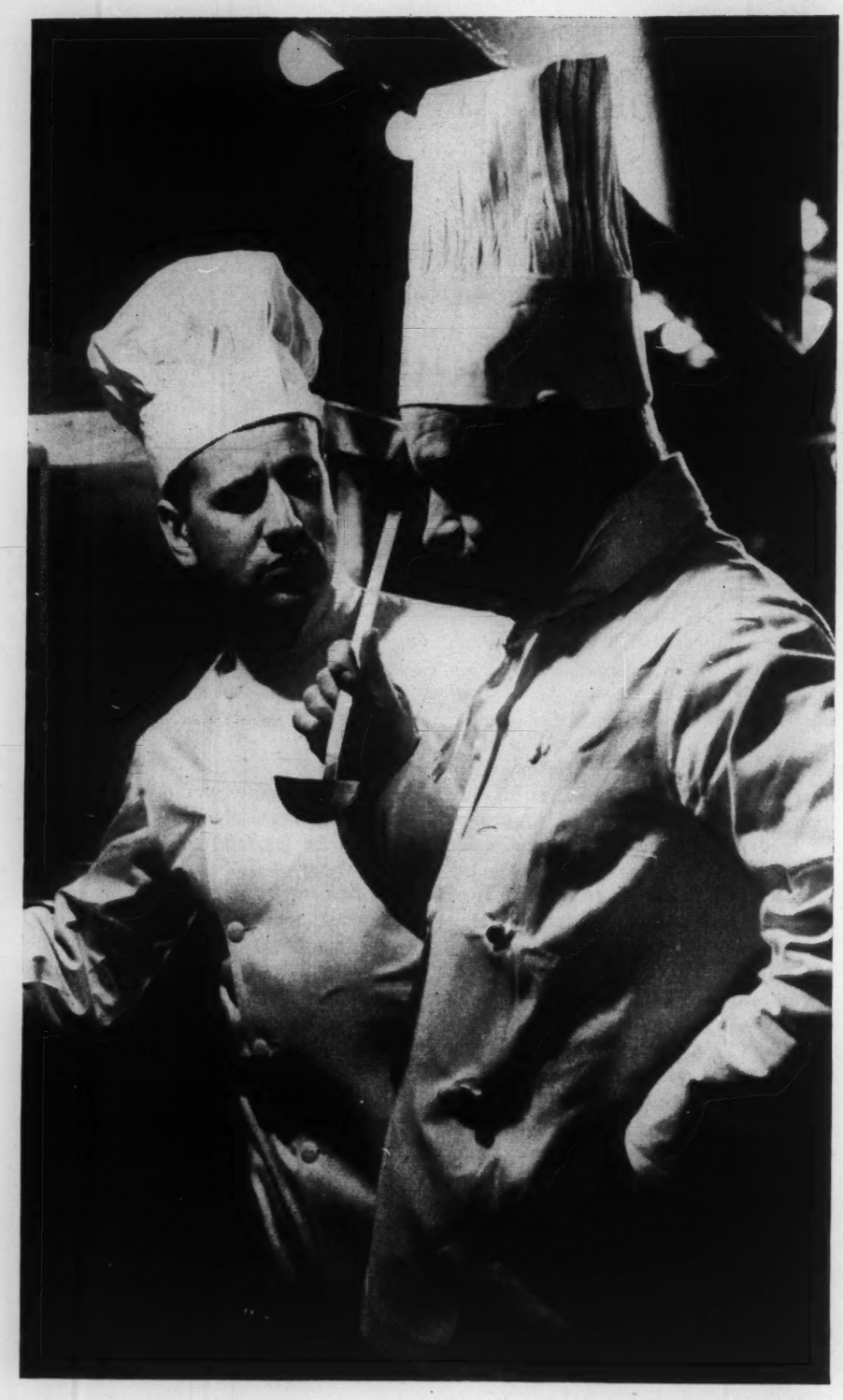
Tzü Hsi, the formidable Empress Dowager who at the turn of the century was the real ruler of China, did not have, from the Western point of view at least, many engaging qualities, but she had risen from the Chinese masses and had remained attuned to their thinking through all the years of supreme power. So she was speaking not for the crumbling Manchu regime but for the new China which was even then taking form when, in her Secret Edict of 21 November 1899, she cried out against the foreign powers who "cast upon us looks of tiger-like voracity, hustling each other in their endeavors to be first to seize upon our innermost territories". And then she fired the opening gun in the Chinese drive for emancipation from foreign influence: "Let each strive to preserve from destruction and spoilation at the ruthless hands of the invader his ancestral home and graves".

It is astounding that this should have been so, but it is nevertheless quite plain that the Europeans did not realize how deeply they were offending the Chinese by their behavior. A strong sense of superiority, a ruthless missionary drive taken to the point of bludgeoning people into the acceptance of Christianity, a piratical way of doing business, all combined to produce an insensitivity toward the feelings of the Chinese comparable to the white man's mental cruelty toward the North American Indian. In the latter case, at least, there was little risk that the tables would ever be turned against the foreign invaders of the redskins' realm. But in 1900 there were already 350 million Chinese, and the probability that such a mass of people would sooner or later try to settle their scores with their assailants should have been recognized even then. Yet hardly anybody seems to have thought of the day when the prostrate and inert colossus would stir and with a lazy waving of its terrible paw would chase away the gadflies.

Peter Fleming cites many examples of this incomprehensible lack of understanding of Chinese feelings. Here is one: In a country with an intricately stratified society, in which nuances of rank were of greatest import, the White Powers forced the Chinese government to grant Christian missionaries equivalent ranks with high local dignitaries. "The effect of this measure on Chinese opinion can approximately be gauged by imagining nineteenth-century British reactions to an announcement in the Court Circular that senior witch-doctors were to have equal precedence with Lords Lieutenant". Again, after the suppression of the rebellion, the Chinese peace negotiators had a very hard time diverting the Kaiser from his demand that a Chinese "expiatory mission" should kneel while offering their apologies to him. That same slightly deranged potentate, incidentally, urged his troops to make sure that they be remembered in China as the Huns were remembered in Europe, in order that "no Chinese will ever again dare to look askance at a German". Fortunately, most other Powers were more considerate than that, at least as far as Chinese lives were concerned.

Foreign provocation and Chinese exasperation form the background to the story of the epic defence of the embassy quarter of Peking by a few hundred white men, not all professional soldiers, against a besieging army of Chinese regular troops and Boxers numbering many thousands. The Europeans in China's capital may have been politically purblind, and boorish in their treatment of the natives, but they certainly were brave. With great mastery,

Glubb Pasha: Reason not emotion.



indeed with something of a poetic touch, Peter Fleming paints the great figures of the siege: Sir Claude Macdonald, the British ambassador, who remembered what he had learned as a young man when he was an officer in a Highland regiment, and became an able and energetic commander-in-chief under desperate conditions; the Japanese military attaché, Colonel Shiba, the most professional of the professional officers present, who at the head of 24 Japanese sailors—they had "the unusual distinction of suffering over a hundred-per-cent casualties, since several of the men were wounded more than once"—defended with stubborn bravery for almost two months a vital sector of the defences; Ensign Paul Henry, French Navy, the bravest of them all, a latter-day Roland, who, with a handful of French and Italian sailors, held the Peitang, or North Cathedral, divided from the rest of the beleaguered garrison by two miles of a city teeming with enemies. Like Roland he died at his post.

There were, of course, some less reputable figures among the master race. It is perhaps significant that M. Pichon, the French ambassador, who, able diplomat as he may have been, was almost certainly a poltroon (there was a *Times* correspondent among the beseiged who called him a "craven-hearted cur") managed later to have himself known as "le héros de Pékin". He rose to be one of the leading French representatives at the Versailles peace conference, and thrice foreign minister of France.

While one of the purposes of Peter Fleming's *The Siege at Peking*", clearly is to tell us "why they hate us" in the East, Sir John Glubb's aim is to show that the Arabs certainly have grievances against Britain—and the Western powers in general—but not such as would justify their present-day revulsion against the West. *Britain and the Arabs* is not an apologia for British policy in the Middle East. It is a careful weighing of the positive against the negative sides of that policy leading to the (undoubtedly valid) conclusion that the former far outweigh the latter. The trouble is that the weighing is done by a Westerner, and the typical finely trained and highly cultured, and thus perfectly balanced, Anglo-Saxon at that. It is governed by reason, not emotion. But hatred is an emotion, and one which tends to grow in intensity the more it is shown to be groundless. As Tacitus said two thousand years ago, people are least likely to forgive those whom they have injured. Thus Glubb Pasha himself should not be surprised if he found that he was one of the most hated men in Jordan. For that same reason, Arab hatred of the Westerners is directed against the British more than anybody else.

The centerpiece of General Glubb's book is its Chapter X, which is appropriately called "The Twice-Promised Land"

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and deals with the first steps taken toward the establishment of a Jewish state in Palestine. Much as one may sympathise with the desire of the Jews, rejected as interlopers in almost every country into which they came in their wanderings and cruelly persecuted in a good many of them, to have a corner in the world which they may call their own, the fact remains that by helping in the establishment of Israel the Western powers grievously injured the Palestinian Arabs. The latter, at the end of the First World War, formed over 90 per cent of the population of Palestine.

Even the Balfour Declaration had promised to the Jews a national home only provided the civil rights of the Palestinian peoples were not infringed upon. The civil rights of the overwhelming majority of a people in a country undoubtedly include the right to form a government of their liking. Yet from the day on which Palestine was allotted to Great Britain as a mandate (24 July 1922) it was clear that the majority was to be deprived of that right. Thus the instructions of the League of Nations to the mandatory power spoke of the Jews twelve times, of the overwhelming majority of the people of Palestine not once, except in an off-hand mention of "other sections of the population". Apart from occasional vacillations on the part of the British administration, it was in this spirit that the mandate was carried out and the Jewish state finally established.

Most of us rejoice over the success Israel has had as an independent state. We must, however, realize that its creation and present existence are a constant reminder to the Arabs of what they must view as Western double dealing and British treachery. Britain's policy, according to a well-known saying of Lord Salisbury, is "to drift lazily downstream, occasionally putting out a boat-hook to avoid a collision". American foreign policy is all too often influenced, indeed directed, by the requirements of domestic politics. Both tendencies—British political pragmatism and American political narrowness—are probably equally responsible for the fact that confidence in the Western emancipators has turned in the Middle East to suspicion, bitterness and hatred.

Sir John Glubb's *Britain and the Arabs*, is the scholarly offering of an author whose pen is inspired by a real idealism and by a deep love of the Arabs with whom he spent thirty-six years of his life. There have always been men of his kind in the Western world, even in the heydays of imperialism. Today, most Westerners who know the East are genuinely sympathetic to its peoples and sincerely concerned over their great problems. But the accumulation of past grievances is so great and the resentments so deep-seated that it is at least doubtful whether we will be able to break through the wall which divides us from the Asians and Africans. Sir John Glubb

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gives us hope that this will be possible after a period of readjustment on both sides. Peter Fleming does not say so outright, but after reading *The Siege at Peking* one must come to the conclusion that there really may be no hope at all.

The Siege At Peking, by Peter Fleming—*British Book Service—$5.75.*

Britain And The Arabs, by General Sir John Glubb—*Hodder & Stoughton—$5.50.*

Racism in Cardboard

The Numbers Of Our Days, by Francis Irby Gwaltney—*Random House—$3.95.*

THE SETTING of Mr. Gwaltney's novel is a small Arkansas town, Gray's Landing, during the years preceding and at the time of the United States Supreme Court decision on the integration of public schools in 1954. The author rightly sees the racial problem in terms of human justice, and he is eloquent in his sympathies for the negro. He skilfully conveys the various shades of feeling on the subject among the town's people, and gives a generally competent cross-section of the crisis in the community when the question of integration comes up. His poeticals on Southern topography, cotton and "the river" are easily forgiven.

Unfortunately, as far as characterization is concerned, he belongs to the cockles-of-the-heart school of fiction as practised by Lloyd C. Douglas and Agnes Sligh Turnbull. He succumbs to the spell of his cardboard figures early in the book; and when, at the end, a modicum of racial justice is achieved, one can only guess at it in the tribute to these "leading citizens". Somehow the reader feels cheated. S.G.B.

Crocodiles & Corroborees

Crocodiles And Other People, by Douglas Lockwood—*British Book Service*—pp 221 —*$4.00.*

THE CENTRAL DESERT is to Australia what the great northland is to Canada and books about the aborigines seem to come as regularly as books about the Eskimo.

Crocodiles and Other People is the latest of these books and is refreshingly authentic. Its author, Douglas Lockwood, is the correspondent in the Outback for the *Melbourne Herald*. To get his copy he has speared crocodiles, driven cattle, shot buffalo, investigated sordid tribal crimes and attended many a wild corroboree.

The people he writes about are either craggy white loners or primitive stone-age blacks. He lives up to his material for he himself, one would gather, is as intriguing a character as any in his book. Highly readable. A.E.

Chess

by D. M. LeDain

"LOOK MA! No pieces!" To attempt an attack without first mobilising all the forces is to court disaster, usually. But there are exceptions to all rules, as in the following:

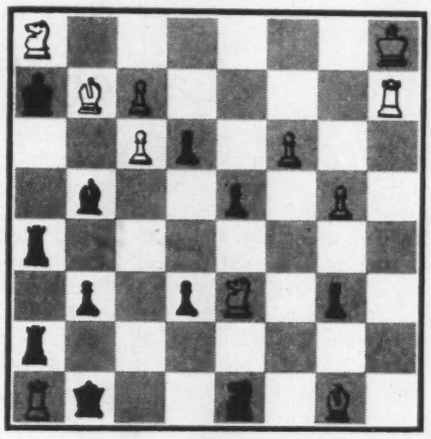
White: F. Marshall, Black: Ragosin. 1.P-K4, P-QB4; 2.P-QKt4, PxP; 3.P-QR3, Kt-QB3?; 4.PxP, Kt-B3; 5.P-Kt5, Kt-Q5; 6.P-QB3, Kt-K3; 7.P-K5, Kt-Q4; 8.P-QB4, Kt(4)-B5; 9.P-Kt3, Kt-Kt3; 10.P-B4, Kt(Kt3)xP; (Or 10 . . , Kt-B2; 11.P-KB5, KtxKP; 12.P-Q4 etc.); 11.PxKt, KtxP; 12.P-Q4, Kt-Kt3; 13.P-R4, P-K3; 14.P-R5 with material advantage.

White: R. Kujoth, Black: Fashingbauer. 1.P-K4, P-QB4; 2.P-QKt4, PxP; 3.P-QR3, Kt-QB3; 4.PxP, Kt-B3; 5.P-Kt5, Kt-QKt1; 6.P-K5, Q-B2; 7.P-Q4, Kt-Q4; 8.P-QB4, Kt-Kt3; 9.P-B5, Kt-Q4; 10.P-Kt6, Resigns.

White: N. N., Black: H. Bruening. 1.P-Q4, P-Q4; 2.P-QB4, P-K3; 3.B-B4, P-QB4; 4.Kt-QB3, BPxP; 5.BxKt, PxKt!; 6.B-K5, PxP and wins.

Solution to Problem No. 228 (Adabashev) Key, 1.P-Kt3.

Problem No. 229, by G. Paros. White mates in two. (11 + 11)



Puzzler

by J. A. H. Hunter

THIS IS AN alphametic, of course, and each letter stands for a different figure. But you may notice something very odd about it: there are eleven different letters!

We normally think and calculate in the "scale of 10" using our ten digits from 0 to 9. But here we must work things out in the "scale of eleven", with eleven digits. Using the familiar symbol $ for the additional digit our eleven digits would then be 0, 1, 2, 3, 4, 5, 6, 7, 8, 9, $.

This makes a difficult alphametic, mainly because we are not used to the number scale, but it still requires only clear thinking and commonsense.

So here's the challenge! What does the FARMER stand for? (111)

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  W H E A T
  F I E L D
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F A R M E R
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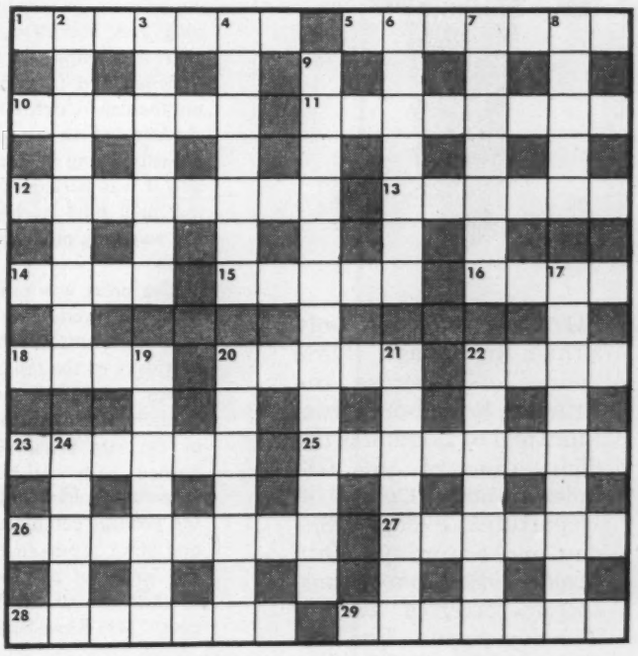
Answer on Page 60.

Fits and Starts

by Louis and Dorothy Crerar



ACROSS

1 Returning paler? Then take a half-dose and perhaps you won't suffer one. (7)
5 Possible view of Salerno from a French city. (7)
10 Head-off 1 to make time pass. (6)
11 Though hounded by society, does he yet have his day? (8)
12 Got a tag after getting in to change oil. (8)
13 The sparrow was one in the old nursery-rhyme - - - (6)
14 - - - and his victim. (4)
15 Energy needed by a golfer. (5)
16 Bone black? (4)
18 Thus one may look the same either way. (4)
20 This bar has gin to throw around. (5)
22 Sweet are those of adversity, said Shakespeare. (4)
23 Say! It's in these writings! (6)
25 When one does, it is over as a rule. (8)
26 In summer, just the part of the house for Browning? (3-5)
27 An anagram of 15 composed many. (6)
28 Nice day for a murder? (7)
29 Did Rasputin wreck Sinatra, too? (7)

DOWN

1 Inelegant briar? (9)
3 The clappers in bells are not intended to do this. (7)
4 Were the army's peas, by the artillery? (7)
6 To do this is the primary function of the first part of 26. (7)
7 To hear a cheering throng will give you this. (7)
8 As 16 backed up, I entered, but she was inconsolable. (5)
9 The Life of Ford? (13)
11 The railway conductor is, even when in it, but athletes shouldn't. (9)
17 Not an enclosure to work in, but Arthur Miller uses one to advantage. (7)
20 Your life may be, as a matter of policy. (7)
21 Outside can be so humdrum! (7)
22 Uncle Arthur never quite got there, owing to fog, perhaps. (7)
24 Not a polite thing to say about Upper Canada! (5)

Solution to last puzzle

ACROSS

1, 8 Miscarriage of justice
10 Use
11, 12 Private eye
13 Tempered
15 Portia
17 Caracol
20 Crimps
23 See 29
24 Mandate
26 Finite
28 Stammers
32 Hog
33 Opening
34 Ado
35 Criminologist

DOWN

2 Ice
3 Copse
4 Raise
5 Iran
6 Gregorian
7 Overt
8, 25, 21 Justice of the Peace
9 Legal
14 Mercy
16 Scum
18 Courtroom
19 Lays
21 See 8
22 Session
25 See 8
27 Niger
29, 23 Trial by jury
30 Magog
31 Wean
34 Ass (478)

BOAC is *still* the only airline in Canada flying "pure jets" across the Atlantic. *Seven* hours from Montreal to London is the flight time of the 500 miles-an-hour Comet 4. Departures every Tuesday and Saturday. *Until October 20th, Economy passengers accepted on the Tuesday flights.* For further details of Comet 4 jet flights to Britain, Europe and the Far East (also BOAC's Britannia and DC-7C services) call your Travel Agent or any BOAC Ticket Office.

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Television

by Mary Lowrey Ross

Larger Than Life

AS AN INTRODUCTION to the Khrushchev visit most of the television programs showed a still of the Stalin funeral, with its row of tightly buttoned figures, including Molotov, Malenkov, Beria, Mikoyan etc., standing by the Stalin casket, and the round solemn face of Nikita Khrushchev looming up in the rear.

This curious souvenir struck the keynote for the Khrushchev tour. No one watching Khrushchev's beaming arrival in America could help wondering, then and later, what particular resources of cunning, risk and sheer ruthlessness Khrushchev had employed to dispose of the entrenched and formidable group surrounding the dead chief. Khrushchev casts a long shadow, which has already swallowed up an astonishing number of powerful figures; and it was perhaps the shadow falling for the first time across America that gave the watching public a sense of wonder and chill.

The press was quick and even eager to note the public lack of sympathy. Many of the commentators, particularly in the first days of the tour, seemed to feel themselves threatened not only by the immensely vital Khrushchev but by the shade of the late Senator McCarthy. They recorded with satisfaction that President Eisenhower had smiled only once during the greeting ceremony, they noted the boos and black armbands, and they watched for any shade of party deviation as zealously as members of the NKVD trailing a suspect. "Mr. Khrushchev will wear white tie and tails at the State dinner," one commentator announced and he continued to insist on the point even after Mr. Khrushchev made his sturdy appearance that evening still wearing the good black business suit he had turned up in that morning.

It was a sight for the cameras . . .

Apart from the picketing groups, however, the public displayed less hostility than sheer bewilderment during the Khrushchev visit. Most of the time Mr. Khrushchev bounced about America looking like a man who had the world and its satellite in his pocket. When the occasion called for it, however, he could display dignity, sympathy, anger, delight, and solemn dedication to a great cause; and nobody watching him could be entirely sure that the performance came from an inexhaustible repertoire or rose from what Mr. Khrushchev insistently described as an open heart.

. . . with everybody loving it . . .

Even the newspapermen and foreign experts meeting in conference after each performance found it impossible to come to any conclusion. Was he really angry at the mention of Hungary, the Stalin regime and the jammed American programs, or was he simulating anger to get out of a tight corner? Was he here purely for purposes of propaganda or was he seeking status among the world's "respectable" leaders? Was he sincere in his demand for peace, disarmament and international good will? (Most commentators thought he was.) And if so, did he want this many-splendored program for any of the right reasons? (The general consensus was, he didn't.)

. . . loving it more than anybody.

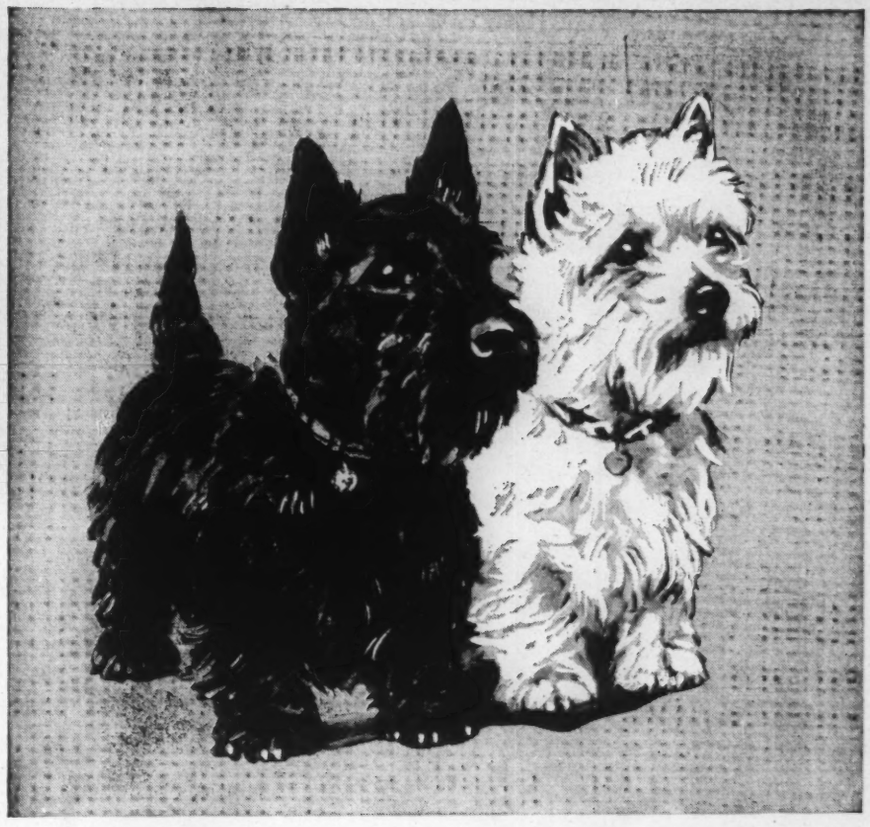
There was no question, however, about the quality of a performance so persuasive that President Eisenhower felt it necessary to appear on television and warn the public against becoming "insidously psychologically disarmed"; in other words, against buying a gold-brick just because it was so handsomely gift-wrapped and blandishingly presented.

It was in Hollywood that Mr. Khrushchev really came into his own.

People respond to Hollywood in various ways; but everybody inevitably responds and even the mousiest individual is likely, at the first whiff of that peculiar Hollywood intoxication, to rear up and demand "Where is that damn cat?" Mr. Khrushchev is no mouse, and his reaction to the film capital was on the exorbitant scale of his own rich temperament. The spectacle of Spyros Skouras slapping Khrushchev hugely on the back and Khrushchev slapping Spyros Skouras hugely back was a sight for the cameras, with everybody loving it and the two old-shepherd-boy Goliaths alternating in snatching the microphone from each other, and loving it more than anybody.

The sling-shots were to come later, but the Khrushchev response to the attack of the Mayor of Los Angeles was still in the Hollywood idiom—the star of the show throwing a tantrum half-way through the production and getting a renewal and extension of his contract. Did he really mean it, the commentators continued to speculate worriedly? Was he ready to throw the Western world into convulsions just because he wasn't allowed to see Disneyland? Or was he simply going into another act? Nobody could be quite sure.

On the Hollywood record it is tempting to classify Mr. Khrushchev as an irresistible and impenitent ham. Tempting but dangerous, since Khrushchev can't be fitted into any living category entirely familiar to the Western world. The truth is that wherever he happens to be placed he is simply larger than life.



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Ottawa Letter

by Edwin Copps

Disenchantment of an Idealist

CANADA'S HOUSE OF COMMONS will lose one of its brightest members when the current Parliament ends. Douglas Mason Fisher, the CCF member for Ontario's Port Arthur riding, has advised his party organization to begin grooming another candidate for the next election. After little more than two years as an MP, ex-Schoolteacher Fisher is fed up with parliamentary life as he has found it here in Ottawa and has made up his mind not to run again.

Of the 263 MP's in the present Commons, at least 200 could drop out of public life without a trace and Ottawa, much less the nation at large, would never miss them. Doug Fisher is not one of these. Ever since he entered Parliament in 1957, after upsetting powerful Liberal Trade and Commerce Minister C. D. Howe in the Port Arthur riding, Fisher has been one of the few outstanding private members in the Commons. His speeches in the public debates have been thorough, thoughtful and constructive; very often his enlightened comments on the subject at hand outshone those of Ministers and party leaders. At parliamentary committee sessions, he was conscientious, industrious and scrupulously impartial. Unlike most committee members, he was more intent on improving the government department or the legislation under study than in scoring personal or partisan political gains.

This same dedication that made him an outstanding MP has mainly motivated Fisher's decision to quit politics. By winning only one more election and sitting through one more Parliament, 40-year-old Fisher could qualify for the generous lifetime pension awarded to three-term MPs. But Idealist Fisher has come to the conclusion that he is wasting his time in Ottawa. He will dutifully serve out the current term, then will forego the pension and the $10,000-a-year MP's salary to return to his old job (salary: $6,000 p.a.) teaching history in a high school. There, Fisher believes, he can lead a more rewarding life than is possible as a private member of a minority party in the Canadian Parliament.

"In our Parliament, as it now operates, a private member can accomplish almost nothing worthwhile," Fisher says. "No amount of study or attention by him to legislative problems ever leads to any change or improvement in government policy. If an MP develops a useful idea, he can only sound it off in the Commons debates and get a little fleeting public attention. But the government ignores any suggestion he may make; its mind is made up beforehand and it resents and rejects any proposal, no matter how sound or constructive it may be, for fear that it will lose some political prestige.

"The parliamentary committees are equally futile. There is always a lot of talk — and it has been particularly loud in this Parliament — about how effectively the committees are going to work and what great influence they are going to have on government policy and operation. But here again, because of partisan political considerations, the committees seldom dig deeply into any critical matter. And on the rare occasions when they do put politics aside and come up with some worthwhile findings, far more often than not these are promptly pigeonholed and forgotten by the administration. The few powerful individuals who make high policy and run the government resent the intrusion upon their authority and prerogatives."

Fisher majored in modern history and finished among the top three in his University of Toronto graduating class. Despite that educational background, he ran for Parliament and came to Ottawa with a highly idealistic concept of an MP's role. Fisher believed (and still does)

Doug Fisher: Back to schoolteaching.

Ross Roy Elects Canadian Vice President

R. B. Mackay has been elected vice president of Ross Roy of Canada, Ltd., Windsor, by the directors of the international advertising agency.

The 39-year-old advertising and marketing executive has been associated with General Motors of Canada, Limited, for the past ten years and has, in recent years, been assistant to the advertising manager for all General Motors products marketed in Canada. In his new position, Mr. Mackay will be responsible for all advertising on the following products of Chrysler Corporation of Canada, Limited: Plymouth, Chrysler, Fargo Trucks, and Chryco parts and accessories.

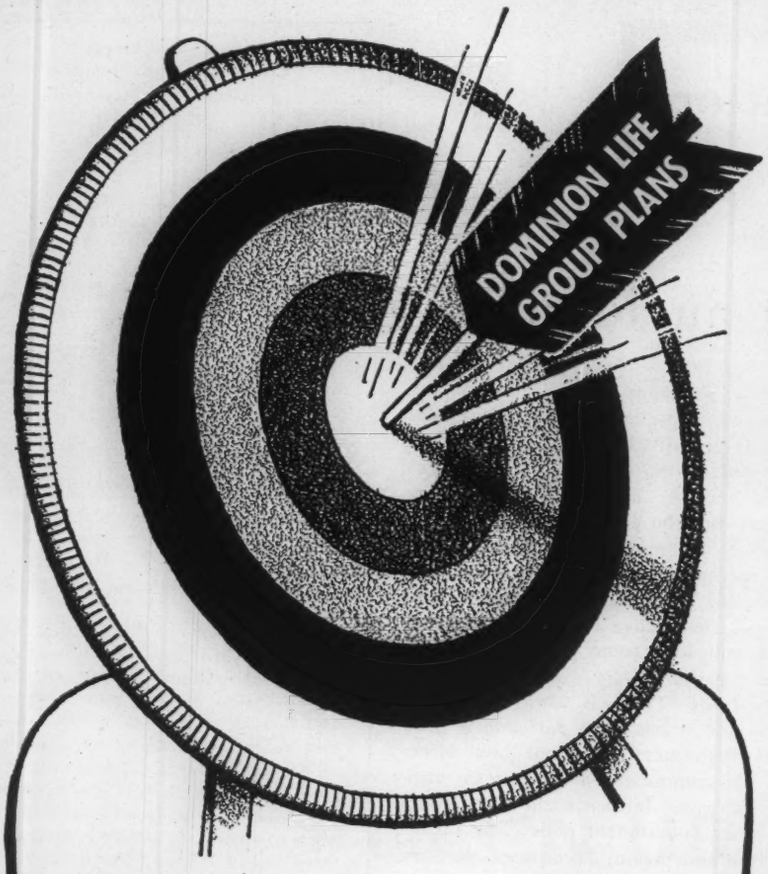
As announced recently, Ross Roy of Canada, Ltd., has been awarded the advertising account of Chrysler Corporation's new entry into the compact car field, the Valiant. Mr. Mackay will also supervise the Valiant account.

Merchandising and sales promotion activities on these accounts will continue under the supervision of account executive Joseph B. Piercell.

Mr. Mackay was born in Scotland. He is married to the former Canadian sprint champion, Nancy Murrall, who represented Canada in the 1948 Olympics. Mrs. Mackay and the two children will move to Windsor shortly.

Saturday Night

covers the broad field of the modern Canadian business and professional man's interests, both in economics and in national and international affairs.



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G-33

that a Member of Parliament's prime duty is to study and become expert on national problems, devise sound solutions for them and then work to have these ideas, or better ones that are forged in the forum of Parliament, embodied into new law.

"I've found out," he says sadly, "that neither the political parties nor the public shares this idea at all. The political leaders — and this is true of all parties— think that the private member's main purpose is to work for re-election and thus maintain and perhaps improve the party's strength in the Commons. The way to achieve this is not by thoughtful performance in Parliament; there the MP is expected only to stay awake and be ready to pound his desk when his leader makes a speech. Most of his energy and practically all his thought is to be devoted to attending the fall fairs in his riding, mouthing greetings to local Kiwanis clubs, and shaking hands with hometown voters. The leaders and would-be leaders of the parties don't want the rank and file MPs to get involved in policy-making. Such upstarts threaten their status as party philosophers. Besides, if an MP begins to pay too much attention to these more serious subjects, he is all the more likely to neglect that all-important politicking back home.

"As for the voters, they expect an MP to be a sort of combination welfare officer and information bureau. They want him to plead pension cases, get mortgage money, interpret the tax laws and lobby for local private enterprises. An MP who tries to cope with all the personal problems that constituents bring to him instead of to the proper government bureaus, simply has no time left to study and to try to solve the important and tremendously complex issues that should be a parliamentarian's main preoccupation."

Fisher is convinced that most private MP's are as frustrated as he is but the others adjust to the situation by ignoring the serious problems of federal government and attending only to the routine politicking that will help re-elect them. The lushness of their Ottawa social life outside Parliament and the contrasting aridity of their speeches and debate in the Commons indicate to Fisher that most of his parliamentary colleagues spend little time pondering legislative work. As further evidence, he points out that only about a dozen of the House members make any regular use of the Parliamentary library. (Historian Fisher, who is also a Bachelor of Library Science, ran his own check on the Commons library traffic).

Says Fisher: "Here, a few steps away from their offices is one of the best, if not the best, sources of information on Canada and its problems. And yet most of the MP's go through an entire session without bothering to read a book or con-

ult a record on any of the subjects about which they are supposed to be making thoughtful decisions.

"And the situation seems to be getting worse instead of better. The Library records show that this is one of the most illiterate Parliaments this country has ever had."

This creeping intellectual sterility, says Fisher, spreads to the very top ranks of Canadian politics. Says he: "I have gone over the recorded public speeches of Prime Minister John Diefenbaker as far back as 1947; the man has never uttered anything but platitudes. And Liberal Leader Pearson is little better; he has never made a clear statement of what the Liberal Party stands for. Our political leaders seem rarely to have an original thought and almost never to have a profound one. They debate great national issues by quoting yesterday's newspaper editorials."

The politicians' tendency to quote Canadian newspapers is especially galling to Doug Fisher, who has long been an outspoken critic of the Canadian press in general and of the reporters in the Parliamentary Press Gallery in particular. "With two or three exceptions (he listed the Montreal *Gazette's* Arthur Blakely and Toronto *Telegram* columnist Judith Robinson among these) members of the Press Gallery are shallow and uncritical. They fail miserably at their function of informing the public about the day-to-day operation of the government. Their idea of how to get a story on an important public issue is not to dig for facts but to take some politician to lunch, call him by his first name and then let him pump them full of his own propaganda. And after this biased stuff is published, the politician or one of his friends gets up in the Commons and quotes it at length during a debate to prove the public acceptance of his point of view."

In firing his broadside, critic Fisher also sent a volley toward his own CCF party. The CCF, he feels, now devotes too much attention to international affairs and neglects vital domestic issues which should be the socialist party's main concern. Fisher has no enthusiasm for the proposed merger of the CCF with various farm-labor groups to form a new left-wing party; he fears it would weaken the present CCF organization and win no important new support. Unless a violent economic crisis suddenly and radically changes voting habits, Fisher is not optimistic that any third party, either as the CCF or by any other name, will win a national election in the near future.

"Before that could happen," he says, "a substantial body of Canadian voters will have to be educated to demand better government." Perhaps that is an important reason for his decision to return to teaching.

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Sports

by Jim Coleman

Hockey: Draw to a Full House

THE NATIONAL HOCKEY LEAGUE has opened its 1959-60 schedule. By the middle of next April, the six teams in this snug and affluent little group will have engaged in a total of 210 league games. Four of those teams will have competed in playoffs (a possible maximum of 21 games) for possession of the Stanley Cup.

It is reasonable to assume that the prolonged and boisterous winter-time show will be just as interesting for the spectators — and just as successful, financially, for the promoters — as it has been in the past few years.

Les Canadiens, of Montreal, seeking to improve upon near-perfection after four consecutive Stanley Cup triumphs, will be represented by a plethora of violently efficient athletes. Although their bench already is over-crowded, Les Canadiens toyed with the idea of bringing up Claude Richard to join his formidable older brothers, Maurice and Henri. Of course, Maurice is 38 and, probably, will confine himself to a modest 25 or 30 goals this season.

Although they view Les Canadiens with ill-concealed envy, two teams — and, possibly three — are expected to provide some exciting evenings for the Montrealers. Chicago Black Hawks, who have managed to fill the league's largest building only very occasionally in recent seasons, appear to have shaken off a 15-year depression and, finally, they have a group of players who decline to accept defeat in the spirit of hapless resignation which has characterized some Chicago teams.

The brash young Toronto Maple Leafs destroyed two gross of hockey sticks in pre-season scrimmages and their opponents are viewing these rough and arrogant upstarts with some misgivings. The Boston Bruins, in 34 years of operation, seldom have missed the Stanley Cup playoffs and they are expected to be involved again this year.

The Detroit Red Wings have Gordie Howe and goalie Terry Sawchuk. The New York Rangers have Andy Bathgate and goalie Lorne Worsley. Both clubs are going through what is described in the trade as a "re-building period."

The men who control this intimate group, known as the National Hockey League, have displayed no disposition to permit wealthy strangers to intrude upon their deliberations. The proprietors of "The Big Six" are contented and happy. Ticket prices are the highest in history and it is next to impossible for a visiting fireman to obtain a seat for a league game in Montreal or Toronto. Indeed, in those two cities, season-tickets are willed from generation to generation. The League also has tapped a lucrative new source of revenue in television. While attendance may decline slightly in Detroit or New York, attendance increases in Chicago and Boston. In the true spirit of cameraderie which has resulted from so many years of close and felicitous association, there is always the possibility that, by a slightly circuitous route, a well-stocked club such as Montreal might arrange to steer a few promising young players in the direction of beleaguered Detroit and New York.

The proprietors of The Big Six can offer considerable justification for the program of introversion which has marked their activities in the past 20 years. The individual player in the N.H.L. now can earn a handsome annual salary and bonuses. Additionally, the league sponsors a generous and intelligently-managed pension plan for the players.

The N.H.L. directors can point with pride to the fact that "hockey looks after its own." It is of more than passing interest that very few N.H.L. players of the past two decades have suffered acute financial distress after quitting the sport.

On the other hand, one cannot help wondering why the National Hockey League has chosen to contract, rather than to expand, in a period when North America has been enjoying its greatest financial prosperity. This has been a period, too, of rapidly increasing population on this continent.

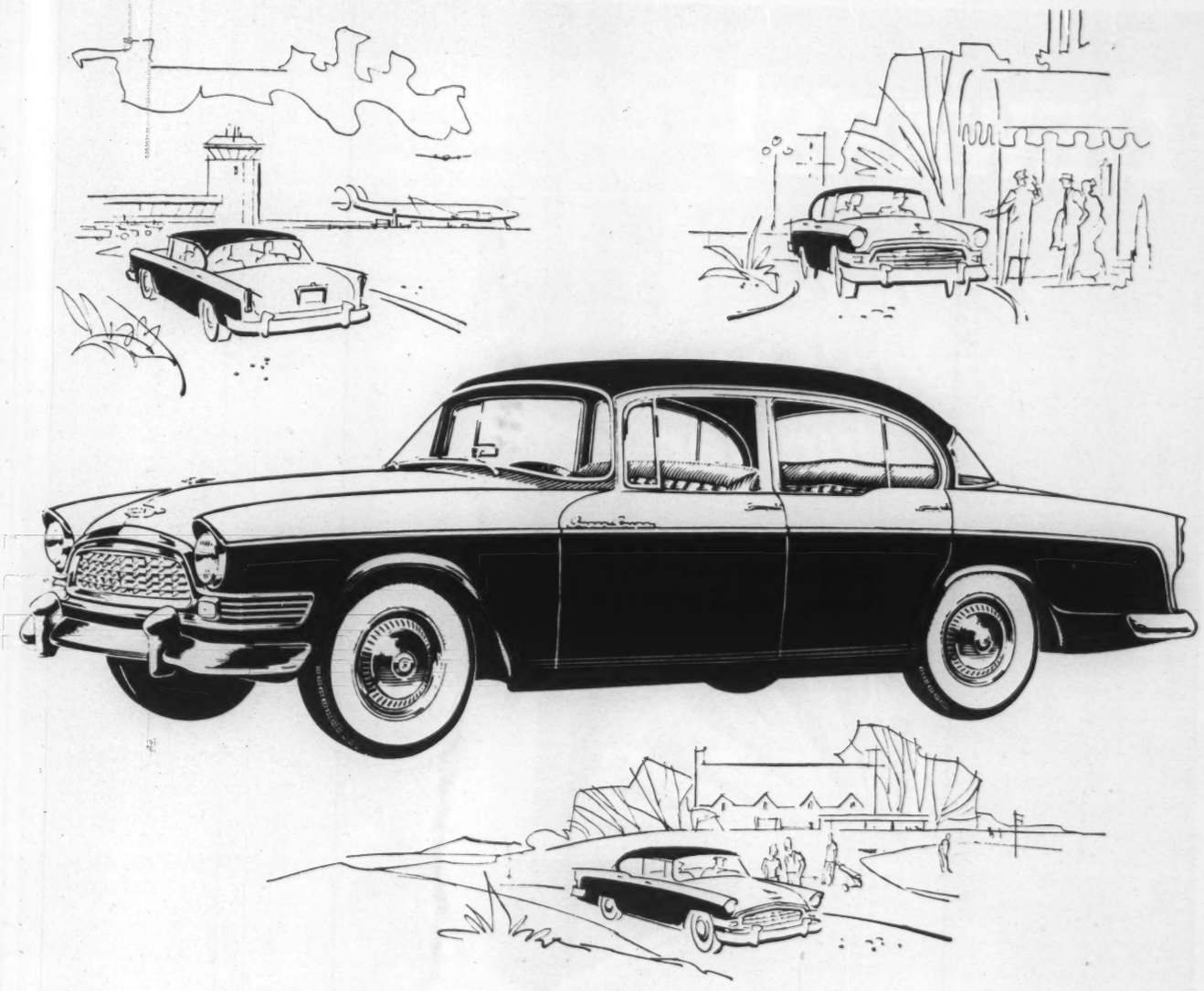
Let us take one close look at the comparatively recent history of hockey's major professional league:

Thirty years ago, there were **ten** teams in the National Hockey League.

Twenty years ago, there were **seven** teams in the National Hockey League.

Two years ago, one of the architects of the National Hockey League was asked about the possibilities of expansion.

He replied: "What's the point in talking about expansion when there aren't enough good hockey players for six teams?"



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The facts are that, 30 years ago, only 40,000 players of all ages were registered with the Canadian Amateur Hockey Association.

Last year, 100,000 players were registered with the Canadian Hockey Association. (The word "amateur" has been dropped as a concession to realism.)

In an astute application of simple arithmetic, the proprietors of the National Hockey League have managed to provide just as many evenings of entertainment for their clients while reducing the number of teams and reducing the number of players in the league. Thirty years ago, the ten teams each played 44 games per season — or a total of 220 league games. This season, six teams will play a total of 210 games.

Mervyn "Red" Dutton has bittersweet recollections of the last amputation performed by the N.H.L. surgeons. At the beginning of the war, Dutton was manager of the Brooklyn Americans which, then, were the seventh team in the league. In the interests of wartime economy, the Governors of the N.H.L. persuaded Dutton that the Americans should abandon operations and Dutton should substitute for the ailing League President, Frank Calder. Mr. Calder failed to recover from that illness and Dutton agreed to "keep house" as President of the League until the end of the war.

Dutton always has maintained that the N.H.L. Governors gave him a verbal undertaking that he could revive his beloved Americans at the conclusion of hostilities. He had plans to build a new rink in Brooklyn, a sports palace which would rival New York's Madison Square Garden.

No, kiddies — Red Dutton didn't build his sports palace in Brooklyn! Following the war, the N.H.L. Governors gave Dutton a hearty vote of thanks and appointed Clarence Campbell as President of the league. When Dutton mentioned the promised revival of his Brooklyn Americans, no one could remember any previous conversations on that subject.

Poor old Red Dutton returned to his neglected construction business in Western Canada and became a millionaire. Riches couldn't have come to a nicer or more colorful chap — but professional hockey has missed him sorely.

It will be interesting to observe the fluctuating fortunes of The Big Six in the next few years. Attendance in the six cities is very close to the ultimate and it has nowhere to go but down.

The N.H.L. brand of hockey never has been more popular than it is today. Television has attracted a vast new audience. The telecasts of Saturday night games have the highest rating in Canada. Telecasts of Saturday afternoon games in the United States have even developed fans in Florida and California. But TV is all they can look forward to. The NHL sits tight.

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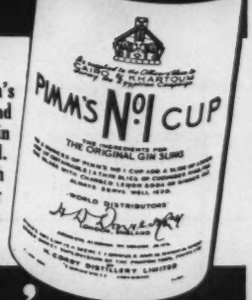

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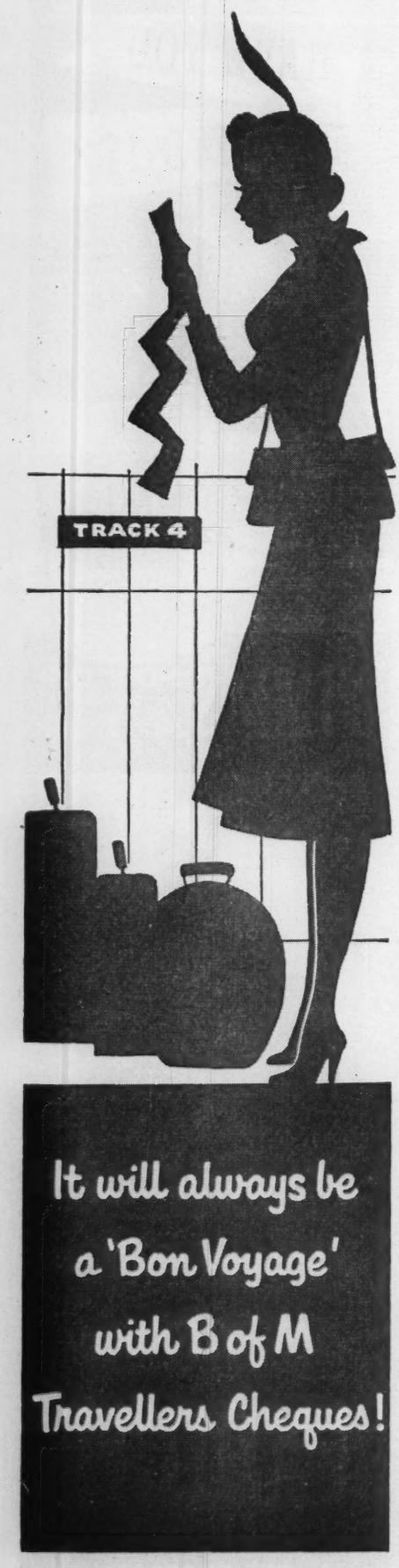

Gold & Dross

Bathurst Power

I am interested in securities of Bathurst Power & Paper and would like a review of its position.—R.V., St. Catharines.

Net income of Bathurst Power and Paper Company for 1959 is expected to show a gain of five per cent over the $1,546,663 earned in 1958. The increase is the result of higher demand for the company's paperboard products, container and boxboard, reflecting the general upswing in the Canadian economy.

Bathurst is usually one of the nation's three top producers of paperboard. It was slightly ahead of the industry in the first 30 weeks of 1959 with a total output of roughly 73,000 tons.

By comparison total production in 1958 was 124,700 tons, including 5,733 tons of unbleached sulphite pulp for direct sale. This line has, however, been discontinued this year because of steadily declining demand.

In the first quarter of 1959, Bathurst had net profit of $296,079, equal to 74 cents per class A share, compared with $172,671 or 43 cents a share in the first three months of 1958.

The increase in volume is only partly a result of price increases. The company's volume of container board for industrial shipping cases and corrugated boxes compared very favorably with the industry-wide increase of approximately 8½ per cent in the first half. There is, however, some doubt of such growth being maintained during the rest of the year.

The company has a new type of paperboard designed to handle wet produce shipped in ice. This is believed to have interesting possibilities. Another promising line is a cellular corrugated board being developed for use as construction forms.

Canada Wire "B"

Why is Canada Wire & Cable "B" stock droopy whereas stock of its parent company, Noranda Mines, is strong? Canada Wire "B" pays a dividend of 60 cents a share per year and the company is well fortified with cash, while the wire and cable business should be quite good now. What's wrong?—S.F., Windsor.

Canada Wire & Cable "B" stock appears to be undervalued statistically.

The company is a strongly entrenched unit in its industry but experienced low earnings in the first six months of the year owing to the effects of the recession on the wire and cable market. This tends to lag behind the general level of business activity, and the first real improvement was felt only in May. The trend is not spectacular but appears steady and encouraging.

Operating profit for the six months ended June 30 was $622,000 and net profit $70,000 versus $680,000 and $109,000 in that order for the same period of the previous year. Results for the first quarter of 1959 were disappointing but the second quarter was considerably better.

Prospects are encouraging in heavy power cable and steel-cored aluminum transmission cable, and for magnet wire. But imports of electrical appliances have increased substantially during the past year, preventing the company from a fuller enjoyment of the fruits of the increased Canadian market for appliances. Export sales loom smaller in the picture.

Considering the company's established position in the industry, its physical and liquid assets, the "B" stock has attractions for the business man or other taker of seasoned risks. The 15-cents quarterly dividend provides income while waiting for the ship to come in.

Net working capital at the end of 1958 exceeded $7 million.

Gambling on the Market

The attached clipping contains statements attributed to the chairman of the United States Securities & Exchange Commission deprecating the possibility of a repetition of the 1929 crash although admitting the presence of a considerable speculative fever. How do you assess his opinions? —B.D., Windsor.

One would have to go along with many of the comments quoted, especially where he says that amateurs gambling in the stock market might as well be wagering at Laurel race track or Las Vegas.

There can be little doubt that there is wide-spread gambling in the stock market to-day but the regulations surrounding trading on the New York Exchange would seem to preclude the possibility of a repetition of the 1929 crash, to which many economic students attributed the depression of the 30's. Pool operations and wash sales were common on the

market in the 20's but seem to have been effectively curbed by the Securities & Exchange Commission.

Another factor which would seem to cushion the impact of any economic recession is the extent of government spending to-day through state welfare plans, etc., although this is hardly to be regarded as a panacea for economic ills.

The one point upon which many commentators seem to be missing the boat is the implications of wide-spread instalment buying. Obviously, a reduction in consumer buying on time could initiate a chain reaction. This would spread to securities as well as commodity markets and set the pattern for at least a minor recession.

Bethlehem Copper

Has Bethlehem Copper Corp. decided to put its property at Highland Valley, B.C. into production?—B.J., Quebec City.

Directors of Bethlehem Copper Corp. expect by the end of October to receive a report from the company's consultants, upon which any decision to go into production would be based.

Bulk sampling has confirmed a higher grade in the Jersey and East Jersey sections than indicated by diamond drilling. Grade in the East Jersey zone may exceed 1.25% copper and the weighted average of the two zones looks to be between 0.85% and 0.90% copper.

The size of the project is indicated by exploration and development costs, so far running to about $2.5 million. The aim was to put in sight sufficient tonnage to warrant mill construction. Still awaiting investigation are the ore potential at greater depth in both the Jersey and East Jersey sections and in a number of unexplored zones.

The company is estimated still to have about $350,000 in the till.

San Antonio Mines

Would you explain the relationship of San Antonio Mines to the Forty-Four Mines development? How does the last-named look?—N.B., Truro.

San Antonio Mines owns 2,292,140 shares of the adjoining Forty-Four Mines out of the 3,200,000 shares that will be issued when all Forty-Four rights are taken up. San Antonio has 2,292,140 shares issued, or one for each Forty-Four share held.

San Antonio is underwriting the cost of depth development on the Forty-Four property.

Forty-Four shareholders (other than San Antonio) are being given a 12-month option on 250,000 shares of Forty-Four stock at 40 cents per share, or one share

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San Antonio is sinking a 1,000-ft. winze and opening six new levels on Forty-Four. Values indicated from the deep drilling program are higher than anything that was found in the old mine.

The new winze will be known as the No. 5 shaft and will be collared on the 26th level (3,864 ft.) Actual sinking will be underway this fall. Decision to put down the new winze followed the weakening of the orebodies on both the San and Forty-Four ground around the 26th level. More than 7,200 ft. of lateral work and almost 20,000 ft. of drilling on this horizon failed to find ore.

Before writing off the mine, management decided to test the depth possibilities of the meta-diabase below the bottom level and also to ascertain if the lack of carbonization to which the host rock's failure to produce ore at depth was attributed was entirely a local phase or if its lower extent had been reached.

Deep drilling has led to optimistic expectations for the new horizons the winze will tap. Intense carbonization at depth has again been indicated.

Placer Development

What do you think of Placer Development in the light of its sale of its oil interests? —K.D., Winnipeg.

Placer presumably sold its oil interests, which were in the U.S., in order to concentrate on mining. Basically, it is a mining company.

Sale of the wholly-owned Coronet Oil Co. puts an additional $12 million-plus in Placer's already strong till. Its working capital at the end of the latest fiscal year for which figures are available at the time of writing — April 30, 1958 — amounted to $9.8 million. This was exclusive of the Coronet interest.

Possible targets for Placer money are Craigmont Mines and Mattagami Lake Mines in British Columbia and Quebec's Mattagami Lake area respectively. Both are copper projects.

Pine Point Project

What progress, if any, is being made on the Pine Point lead-zinc project?—C.F., Chatham.

During the past year Pine Point Mines carried out a topographic survey of a proposed plant site at its lead-zinc property on the south shore of Great Slave Lake, N.W.T. This was completed in order that work on the design of the plant could be started in the event that a decision is made to build a railroad to Great Slave Lake.

No further work was done on the property other than normal plant and

property maintenance on a standby basis.

The balance sheet at April 30, 1959, showed $350 cash and $55,215 supplies valued at cost. Liabilities totalled $40,-921, all owed to the Consolidated Mining & Smelting Co. of Canada.

Of an authorized capitalization of 5,-000,000 shares, 3,694,411 were issued.

A Columbium Bet

Are Headway Red Lake and Coulee Lead and Zinc getting anywhere with their columbium bet?—M.T., Edmonton.

Columbium Mining Products, owned jointly by Headway Red Lake Gold Mines and Coulee Lead and Zinc Mines, is reportedly drawing encouragement from chemical-beneficiation research on its pyrochlore material from the Oka, Que. columbium deposit.

The research is being conducted at the Bureau of Mines laboratories in Ottawa and indicates that a concentrate with an approximate grade of 30% with an overall recovery of 85% can be expected. The best previous expectation was 18% concentrate with approximately 70% recovery.

The metallurgical reports together with other information about the Oka deposits are now said to be under study by several U.S. concerns.

In Brief

What happens when the Securities Exchange Commission of the U.S. dubs a Canadian securities offering fraudulent? —B.K., Albany, N.Y.

Mail addressed to the Canadian vendor from the U.S. is seized in the U.S., stamped "fraudulent" and returned to the senders. And the senders had best forget about a junket to Miami.

What Canadian bank recently issued a bulletin on the Ungava-Labrador area?—R.O., Halifax.

The Bank of Nova Scotia.

Do you think the gain in asbestos output will continue?—M.N., London.

Dependent on world conditions but the material appears to be more than holding its own in competition with other products.

Can you explain Premium Iron Ore's optioning of an industrial site at Fort William?—H.E., Sault Ste. Marie.

Significance awaits official clarification.

Any worsening of Bralorne affairs to explain the dip in stock price?—C.B., Kingston.

Probably declined under profit taking.

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A Love Affair With New Brunswick

by Paul Duval

THE MOST RECENT of Commonwealth cultural institutions is the product of a lengthy and unusual romance.

The Beaverbrook Art Gallery, opened in Fredericton in September, is the creation of the 80 year old British Press Lord whose name it bears. The $3,000,000. gallery is only one of the many gifts that Beaverbrook has lavished upon his beloved New Brunswick.

Normally, a man would not place such a treasure down in the middle of a city of some 20,000 people, and one which is not easy to reach from most routes of travel. But there is more than reason involved in this gift. It is part of a lifetime love affair that Beaverbrook has had with the region where he grew to manhood.

From Fleet Street to Fredericton is more than a sentimental journey for Beaverbrook. It has assumed almost the character of a mission. Each autumn, he crosses the ocean to revisit the scenes of his youth. From early September, through October, he may be seen strolling along the banks of the Saint John River almost any sunny morning, deep in conversation with his companion of the moment. The talk usually touches upon his local benefactions, plans for the new gallery, a scholarship for the University or, perhaps, one of the several hockey rinks he has donated to New Brunswick.

Beaverbrook oversees virtually every detail of his local interests, whether it be a new book needed for the University of New Brunswick library or the varnishing of a picture. For the past five years, much of his attention has gone into the construction of the Beaverbrook Art Gallery and the collecting of pictures for it. Now that it is completed, it presents a very handsome appearance, both without and within.

in Fredericton, NB. (Churchill).

The exterior of the one-story building is a simple, box-like rectangle, constructed of light glazed brick, limestone and marble. The interior is divided into a few large galleries, with the major European works hung in a large center room, the end of which is a wall of glass looking out to the Saint John River. The merits of thus mixing natural and artificial light in a gallery may be debated, but it certainly gives the room a unique character, to Beaverbrook's personal specifications.

Some 300 pictures compose the bulk of the collection, many of them donated by other Canadians. With the exception of two paintings by Salvador Dali, they are products of the Canadian and British schools. The most dramatic presentation of Canadian works is 25 canvases by Cornelius Krieghoff. This is the best

in the Beaverbrook Gallery (Maugham)

group by the pioneer immigrant master to be seen anywhere, and includes his major painting, *Merrymaking*, for which the record price of $25,000 was paid.

There are four notable compositions by J. W. Morrice, who is generally acknowledged to be the ablest painter this country has produced. These include three landscapes with figures and a portrait, *Woman In A Wickerchair*, probably his most sensitive figure painting.

Emily Carr, Horatio Walker, Maurice Cullen, Tom Thomson, Clarence Gagnon and Homer Watson are all represented by first-rate works which form the historical backbone of the collection. Most worthwhile contemporary Canadian artists are to be seen, including Jacques de Tonnacour, Jean Paul Riopelle, Goodridge Roberts, Alfred Pellan, Ghitta Caiserman and Paul-Emile Borduas.

The British section of the Beaverbrook Gallery presents most of the masters.

Graham Sutherland's (Beaverbrook)

The earliest work is a rare and brilliant 16th century miniature of Queen Elizabeth by Nicholas Hilliard. There are two important portraits by Sir Joshua Reynolds, *Mrs. Thrale and Her Daughter* and *Mrs. Billington as Saint Cecilia,* and two canvases by Gainsborough, the famous *Peasant Girl Gathering Faggots* and *Lt. Col. Edmund Nugent*. Three works by Turner, two by Hogarth, a portrait by Hoppner, two animal studies by George Stubbs and two landscapes by Constable round out the old master department.

The modern British section is especially notable for its collection of portraits by Graham Sutherland. On view, are all the studies for the controversial birthday portrait of Sir Winston Churchill. Six of these are in oil and many in pencil and wash, including such extreme details as Sir Winston's foot or nose. Portraits of Beaverbrook, Somerset Maugham, Helena Rubinstein, Edward Sackville-West and Mrs. John David Eaton add to this unequalled presentation of Sutherland's art.

Four paintings by Sir Winston Churchill, three of them gifts to Beaverbrook, form the largest such group to be seen in a public collection. For the rest, it would be difficult to name a 20th century British artist of note, from the veteran Augustus John to the young Denis Williams, who is not on view in the Fredericton gallery.

In a sense, this rich gift of art only reflects Beaverbrook's belief in a closer understanding between the nations of the Commonwealth.

Few men are more Commonwealth-conscious than Beaverbrook. He knows its great benefits from personal experience. He has gained much from the privilege of being born within the English-speaking union. He has been able to parlay his interests on both sides of the Atlantic into a great fortune and influence.

In returning some of this wealth to the place where his fortunes first began, he is helping to seed a new era for the hard-pressed Maritimes.

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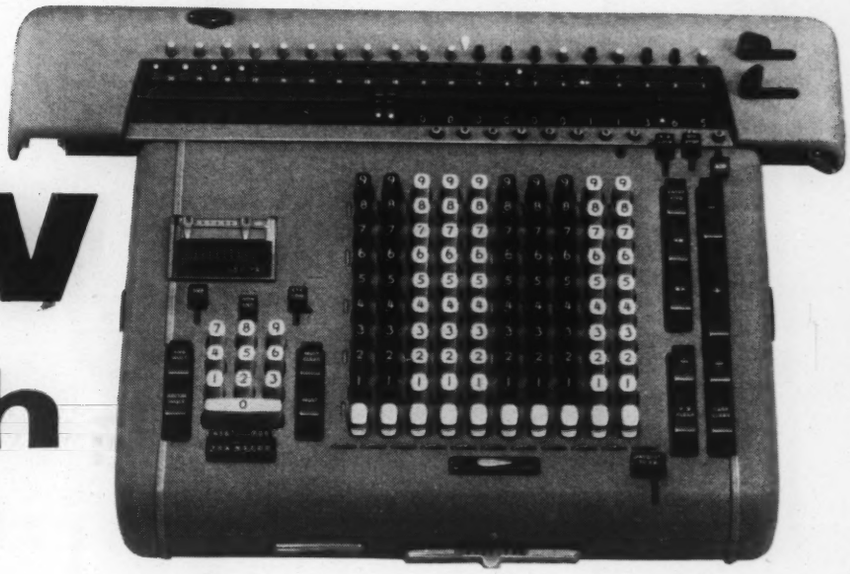

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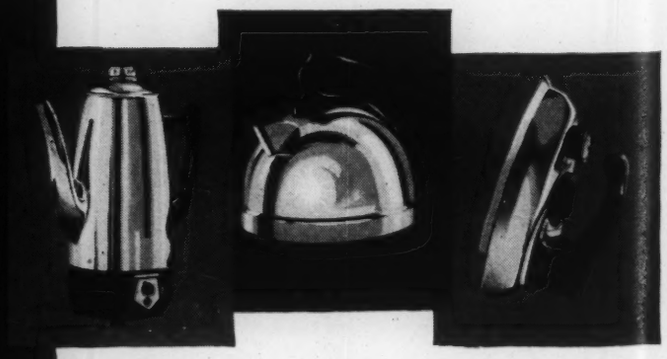

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Education

The Gifted Child

by Marcus Van Steen

KURT SWINTON'S complaint [SN Letters: Sept. 26], "everything for the below-average, nothing for the above-average," echoes an article in a recent Toronto *Star Weekly*, which charged that Canada was neglecting its gifted children. The letter is another example of the distressing tendency of popular newspapers to manufacture sensation without bothering about facts, to rush into print with something supposedly "readable" and "anecdotal" regardless of its accuracy.

The fact is that for more than a quarter of a century, educators have been paying a great deal of attention to the special problems of the gifted child. The list of books about the gifted child is staggering, and the amount of work being done to find ways of providing the educational environment best suited to his needs is a credit to our schools and teachers, and to the school boards that put up the money.

Numerous methods have been devised by teachers to deal with the especially bright or gifted children in their classes. The most obvious, and therefore the first used, was acceleration or moving the child ahead faster than the average. This method is still very useful in the case of children whose mental advancement is matched by their early maturity. Another device that has been used by several generations of teachers is to encourage the gifted children to assume a sort of leadership in the classes. Again, this works very well only with certain children.

Another method is to let the gifted children work on special projects of their own, after they have finished their regular class work. In the Toronto area a great deal of work has been done along this line, in many cases bringing the gifted children from several classes together at certain hours each week to work on group projects such as writing and producing their own plays, or putting out their own newspaper.

An elaborate method of providing special classes for gifted children was started in London, Ontario, in 1927 and has since spread to Saskatoon, Winnipeg, Ottawa, Etobicoke and Brantford. These special classes, usually called Major Work Classes, provide an enriched curriculum—which means that those children who can do more work than the average child are given more work to do, branching out into such subjects as astronomy, zoology,

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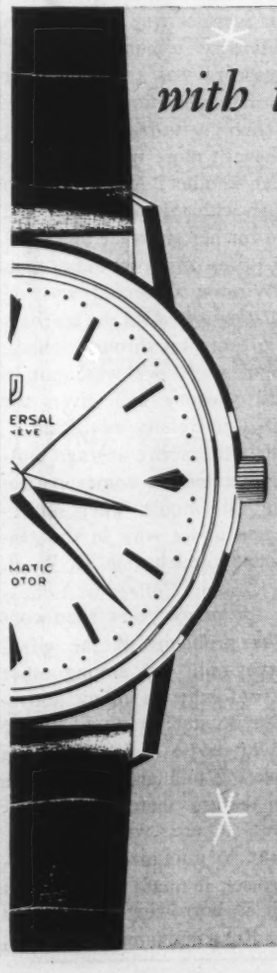

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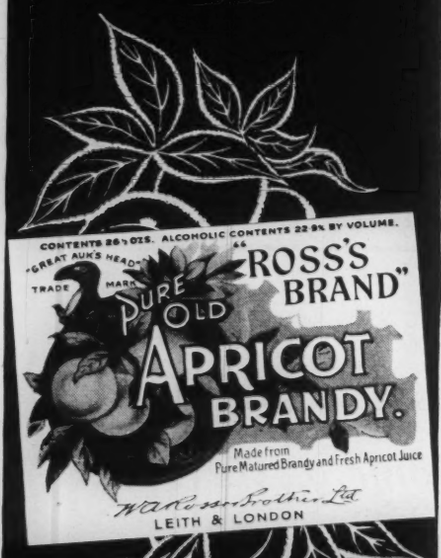

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Still another method, used with variations from the Maritimes to British Columbia, is to allow the gifted children to move through the grades at their own pace, taking two, or sometimes even three, grades in one year, until they reach the school level that presents a challenge to their intellectual abilities.

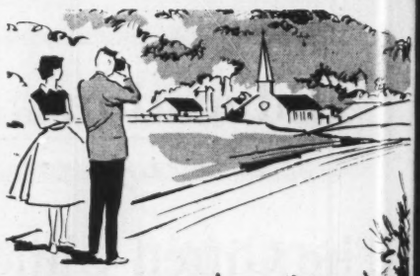
In other words, a great deal of thought and attention has been given to the special problems of the children whose mental abilities are above the average. The fact that all these methods are still regarded as experimental should not be taken as a sign of failure but rather as proof that there is no such thing as one definite problem connected with gifted children. Each child, gifted or otherwise, presents certain special problems of his own. No one can say which is the best method of teaching gifted children any more than anyone can say which is the best method of teaching any kind of children.

In fact there is not even any fairly accurate way of selecting the gifted children, and to suggest, as the *Star Weekly* does, that a teacher can take some sort of a course and then be able to recognize immediately and infallibly the gifted children in her class is to attribute a medicine-man magic to the teaching profession that it does not possess. The human mind, or soul, is a strange and mysterious force that is understood only a little less vaguely now than when Socrates was put to death for his revolutionary teaching methods, or when Shakespeare was sneered at for his lack of formal education.

Can any teacher say with certainty that one child can benefit more from a university training than another? All she can do is guess, although with the personality and IQ tests devised for her guidance her guess may be a little better informed today than it was when Winston Churchill was regarded as a dull-average by all the teachers who managed to put him through school, or when Leopold and Loeb were put in the near-genius category and given the full benefits of a university education.

To suggest that the above-average children are being overlooked comes particularly badly in this month when an intensive study gets under way in the Ontario schools, supervised by Dr. R. W. B. Jackson of the Ontario College of Education, who has for many years been concerned with the problems of the gifted child. The survey will try among other things to find out why so many above-average children do not go on to higher education, and to devise if possible some ways of discovering and encouraging the gifted children before their abilities, as Dr. Jackson puts it, are "wasted."

Without trying to minimize the importance of this project, it might be suggested that perhaps it is borrowing a little too much from the Russian example. The idea



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that ability is wasted if it is not used in the manner approved by the state educators may be the first step towards the state direction of ability—than which there is no surer way of stifling human progress. A true democratic respect for the dignity of the individual surely includes the right of each individual to find his own destiny.

The duty of the schools, and of society as a whole, is to make the best kind of learning available in as many varied forms as possible, and to refrain from any attempt to apply bridle, bit or blinkers. The picture of Karl Marx sitting in the British Museum Library predicting the downfall of the society that had made such a library possible is a picture of a peak of civilization that is rapidly giving way to the demands of security and social regimentation.

To imagine that every gifted child can develop his full potential only through the educational system is to misunderstand the nature of genius and to over-estimate the role of the school. Our civilization needs the restless, original, iconoclastic minds that would be stifled by routine, every bit as much as it needs the precise, orderly minds that thrive in the realms of higher education. Mankind is by far the richer today, for example, because Shelley was expelled from Cambridge, and because Shaw, at the age of 15, left school which he hated and where, as he said, "I learned nothing."

The danger is not that our gifted children are being overlooked but that too much attention will be paid to them before mankind has the wisdom to handle carefully their fragile and eminently priceless gifts. By all means let us continue to experiment and question, but let us not be panicked into an act of self-destruction as Dr. Jackson appeared to be when he said: "Under current international conditions, any democracy that fails to mobilize all its human resources, both for the advancement of man's purposes and for its own protection, runs the real risk of ultimate domination by more ruthless competitors."

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Point of View:

Britain: Why Not Replace the Queen?

by J. B. D. Collins

TO ANOTHER VISITING Britisher it was clear that the recent royal visit would have caused more re-examination of the place of the monarchy in present-day Canada than any previous visit, even if the Joyce Davidson episode had not occurred. Canadians are quite naturally sensitive to any implied threat to their nationhood, and despite the constitutional assurance that it is the Queen of Canada who was touring their country, it is understandable that many people regarded the visit as just another attempt by the British to force Canadians to toe the Royal line. The purpose of this article is to remind Canadians that the relationship between Monarchy and Commonwealth is continuously being re-examined in other Commonwealth countries, and to give some of the ideas so far put forward.

In Britain the most active campaigner for a new approach to the Commonwealth is Lord Altrincham, whose article on the Monarchy in the *National and English Review* for August 1957, though widely attacked and misrepresented at the time, is slowly having some effect. Lord Altrincham has continually stressed the intrinsic importance of the Commonwealth; consequently the Queen's role as Head of the Commonwealth is vastly more important than her role as Queen of the individual member nations of the Commonwealth. (She is in fact Queen of only seven of the ten Commonwealth nations). Lord Altrincham would like to see a Commonwealth which stood for definite principles — anti-racialism, Parliamentary government, universal suffrage, and the Head of the Commonwealth should be defender of these principles, not afraid to speak out against Commonwealth nations which violated them.

Canadian suspicions that they are still tied to Britain's apron strings are constitutionally groundless. Member nations of the Commonwealth are theoretically equals, but Canadians are right if they suspect that there is a trace of George Orwell's "all animals are equal, but some are more equal than others." This is because Britain, alone among her equal partners in the Commonwealth, has no Governor General. The Queen reigns in person in London, but through a Governor General in Ottawa. Were a Governor General of Britain to be appointed tomorrow, the Queen of Canada could remain in Canada indefinitely, and her visits to Canadian towns could take on something of the more relaxed and informal character which her visits to British towns are beginning to have. Then the recent Canadian newspaper poll question "Are you interested in the Queen's visit?" would become as irrelevant as asking the people of Southampton if they are interested in the Queen's visit to Aberdeen. Canadian newspapers seemed to be oversensitive to the slightest indication that fervent enthusiasm was not going to be shown by all Canadians throughout the whole of Canada for the whole of the miserably short time that the Queen was here. No one in Britain thinks any the worse of the Southampton man who replies "The Queen is getting on with her job and I am getting on with mine".

The appointment of a Governor General of Britain could have many other far-reaching effects for the whole Commonwealth, apart from removing the Canadian inferiority complex. With the Head of the Commonwealth residing in many different parts of the Commonwealth, she might feel that Upper Canada College was a more suitable school for Prince Charles than Eton or Harrow. As Lord Altrinchman has said, "the Queen's official entourage should consist of first-class people from every part of the Commonwealth, not just of upper-class Englishmen". Prince Charles might then marry eventually someone who was not British. The Union Jack should revert to its real use — the flag of the Union of England, Scotland, Wales, and Northern Ireland; each member of the Commonwealth could have its own flag and anthem, and a new Commonwealth anthem and Commonwealth flag could be invented if required.

These suggestion have received greater support than might be imagined. In a public opinion poll conducted by the Manchester *Evening Chronicle*, a majority was in favour of the suggestion that the Queen should reside in other Commonwealth countries than Britain, instead of merely visiting them. Although a similar poll conducted by the *Adelaide (Australia) News* showed a majority in favor of the Queen remaining in Britain, the same paper's leading article strongly supported Lord Altrincham's view.

However, those nations of which the Head of the Commonwealth is also Queen must not forget that the three most important members of the Commonwealth are Republics. The continued membership of India, Pakistan, and the Federation of Malaya is in many ways the *raison d'être* of the Commonwealth, and yet unless the Head of the Commonwealth is freed from her present constitutional ties with Britain, she will never be able to proclaim the principles for which the Commonwealth stands, as a bridge both cultural and economic between the underdeveloped nations of Africa and Asia, and what we know as western civilization.

There is room for many more schemes like the Colombo Plan to provide the capital which is what the poorer Commonwealth nations really need. The British Labour Party pamphlet "The future Labour offers you" contains this paragraph:—"We shall also take the initiative in strengthening ties between the independent members of the Commonwealth. On the basis of complete equality, Labour will seek to co-ordinate more effectively the political action and economic policies of these free nations. A strong and united Commonwealth is in our view a major force for world peace."

An opportunity to show what the Commonwealth stands for might arise over South Africa, which might soon declare herself a Republic and leave the Commonwealth, so leaving herself even freer to flout world opinion with her racial policies. Instead of the usual sulky British acceptance of the inevitable, there is an opportunity here for the Head of the Commonwealth to threaten to expel South Africa from the Commonwealth for violation of Commonwealth principles. For once world opinion would see the Commonwealth in its true colors; an association of equal partners helping each other and thereby helping Africa and Asia to attain the western standard of living. The Head of the Commonwealth would be respected far beyond those seven nations of whom she is Queen.

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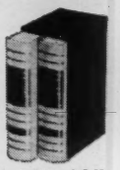

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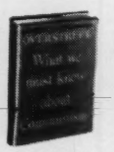

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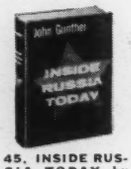

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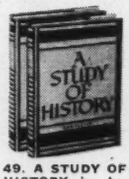

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